

GAS SERVICES DIVISION  
GSD - 1 TARIFF REPORT

RRC COID: 3524 COMPANY NAME: UNIVERSAL NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 35081

DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 06/25/2024 ORIGINAL CONTRACT DATE: RECEIVED DATE: 07/12/2024  
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO: 878395  
 BILLS RENDERED: Y INACTIVE DATE:

**RATE SCHEDULE**

SCHEDULE ID                      DESCRIPTION  
 CRR2

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC. (UNIGAS)  
 CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to all Sales Customers for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (the Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Docket No. OS-21-00007061.

ABBREVIATIONS AND DEFINITIONS

- 1) Authority - The Texas Public Finance Authority, together with any successor to its duties and functions.
- 2) Bonds or Customer Rate Relief (CRR) Bonds - The Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023 and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.
- 3) Ccf and Mcf - For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.
- 4) Central Servicer - The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of it under the Servicing Agreement (as defined in the Financing Order).
- 5) Commission - The Railroad Commission of Texas, including its staff or delegate.
- 6) CRR Charge True-Up Adjustment - A True-Up Adjustment (as defined in the Financing Order).
- 7) CRR Charge True-Up Charge Adjustment Letter - A true-up adjustment letter substantially in the form of Exhibit 3 to the Financing Order.
- 8) CRR Scheduled Adjustment Date - January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date the Bonds so as to reflect the terms of the Servicing Agreement.

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9) Customer Rate Relief (CRR) Charge - A nonbypassable charge as defined in Tex. Util. Code 104.362(7).

10) Financing Order - The order adopted under Tex. Util. Code 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

11) Gas Utility - UniGas and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commissions jurisdiction under Tex. Util. Code 102.001, or an operator that transmits, transports, delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.

12) Irrevocable - The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code 104.362(8) and the CRR Charge authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.

13) Issuer Entity - Texas Natural Gas Securitization Finance Corporation, a Texas nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Govt Code 1232.1072.

14) Large Participating Gas Utility - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and any Participating Gas Utility or Successor Utility (as defined in the Financing Order) each of whose Normalized Sales Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after Normalized Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation without any limitation in order to give effect to any merger, acquisition, disposition, divestiture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes. The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effective beginning on January 1 of the following calendar year.

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15) Nonbypassable - CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.

16) Normalized Sales Volumes -

a) For Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.

b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar year in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21-00007061, Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

17) Participating Gas Utilities - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas, Inc. ; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).

18) Sales Customer(s) - All active customers taking service under a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

(B) APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR Charge shall be billed and collected by UniGas as a Participating Gas Utility for all of its Texas customers under the terms of the Financing Order. Individual Sales Customers are responsible for paying the CRR Charge billed to them in accordance with the terms of this rate schedule. Payment is to be made to the gas utility that bills the customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture

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Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

(C) TERM This rate schedule shall remain in effect until the CRR Charges have ben collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonbypassable.

(D) SALES CUSTOMERS For the purposes of billing the CRR Charges, all Sales Customers of UniGas shall be assessed the uniform volumetric charge identified below.

(E) CRR CHARGE

The CRR Charge will be a monthly volumetric rate of \$1.10/Mcf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true-up adjustment procedure. The CRR Charge shall be included in the Participating Gas Utilitys Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below at 14.65 per square inch, as defined above.

(F) DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes

- (A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)
- (B) Assumed % of uncollectible sales
- (C) Total Normalized Sales Volumes Billed and Collected: (A \* (1 - B)).

Step 2: Determination of CRR Charge

- (D) Total CRR Charge Rate Revenue Requirement for Applicable Period
- (E) CRR Charge per Normalized Sales Volumes (Mcf): (D / C).  
 Thereof: CRR Charge for Sales Customers.

(G) CRR CHARGE TRUE-UP

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Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

(H) CRR CHARGE TRUE-UP PROCEDURE

UniGas shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If UniGas is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Large Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commissions review and approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating to the appropriate amount of any over-collection or under-collection of CRR Charges and the amount of an adjustment).

If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is necessary, (i) the Central Servicer may request and the Large Participating Gas

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Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. UniGas shall have the right to provide such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.

(I) TAXABILITY

The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

Bill rendered on or after 10/01/2023

COMM-IRA3

AVAILABILITY

This schedule is available to commercial and other non-residential (hereinafter called Commercial) customers in unincorporated areas and in all incorporated areas unless otherwise covered by a specific UNIGAS rate schedule for Commercial consumers in incorporated areas receiving natural gas service from UNIGAS (hereinafter called Company).

APPLICATION OF SCHEDULE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible Commercial customers in which each unit requires a separate connection and meter. 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. If the Customer has a written contract with Company, the terms and provisions of such contract shall be controlling.

BASE MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly billing period rate for each customer receiving service under this rate schedule shall be the sum of the following:

UNIGAS ? COMMERCIAL TARIFF MATRIX

COMMERCIAL CUSTOMER DESCRIPTION MONTHLY CONSUMPTION CRITERIA

Equal to or Less Than or  
Greater Than: Equal to: BASE MONTHLY RATE

Monthly Customer Commodity Charge

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Small Commercial 0.0 Mcf/Mth. 150.0 Mcf/Mth. \$45.00/Mth. (Base) +  
\$116.79/Mth. (Interim Rate Adj.) =

\$161.79 /Mth. (Total) \$2.91/Mcf

Large Commercial 150.1 Mcf/Mth.

N/A \$175.00 /Mth. (Base) + \$1,829.25/Mth. (Interim Rate Adj.) =

\$2,004.25/Mth. (Total) \$2.91/Mcf

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule COG.

Pipeline Safety Inspection Fee: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety Inspection Fee, Rate Schedule PSFUG.

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

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

Miscellaneous Service Charges: The billing shall reflect adjustments in accordance with provisions of the Miscellaneous Service Charges, Rate Schedule M.

**WNA**

The Weather Normalization Factor (WNF) is a factor that adjusts the Volumetric Fee for each 100 cubic feet (Ccf) of natural gas sold. The WNF is designed to refund over-collections and to surcharge for under-collections of revenue due to colder than normal or warmer than normal weather. In order to reflect weather variances in a timely and accurate manner, the WNF is calculated monthly and is based on monthly weather information for the three-month period beginning with December and ending with February. The Weather Normalization Factor shall apply only to residential customers, and for purposes of this WNF, the Company will designate residential customers into either the Conroe Area or New Braunfels/San Antonio Area, as applicable, based on meter location. Formula. The WNF is calculated, as follows:  
[Adjusted Heating Load plus Base Non-Heating Load] divided by Total Volumes Sold  
Where: Adjusted Heating Load (Ccf) = Heating Load divided by HDD Factor AvgHDD = Average heating degree-days for a calendar month as measured by the National Oceanic and Atmospheric Administration (NOAA) for the period 2009 through 2019 at their weather station in Conroe, Texas or San Antonio, Texas, as applicable. The AvgHDD values used to calculate the WNF are: For the Conroe Weather Station: December 387, January 461.65, February 295.75 For the San Antonio Weather Station: December 321.9, January 373.99, February 237.05  
Base Non-Heating Load (Ccf) = Base load factor x the number of bills issued for each class where base load factors are

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as follows:Conroe Area Residential ` 12.28 Ccf New Braunfels/San Antonio Area Residential ` 12.28 Ccf Bills = Number of bills issued to customers for gas sold that month HDD = A heating degree day is a measurement of demand for energy to heat houses and businesses. The WNF is based upon actual heating degree-days for a calendar month as measured by the NOAA at their weather station located in Conroe, Texas or San Antonio, Texas, as applicable. HDD Factor (Heating Degree-Day Factor) = HDD divided by AvgHDD Heating Load (Ccf) = Total Volumes Sold minus Base Non-Heating Load Weather Normalization months = December, January, February Report. Within 45 days from the last day in each Weather Normalization month, the company shall provide to the Commission, in spreadsheet format, one WNF Compliance Report per Weather Normalization month to demonstrate how the Company calculated the WNF for residential customers in each of the Conroe Area and New Braunfels/San Antonio Area, using the following format: FORMAT FOR WNF COMPLIANCE REPORT Line 1 AvgHDD Lines 2-3 blank Line 4 HDDs (for Conroe or San Antonio weather station, as applicable) Lines 5-6 blank Line 7 Bills Line 8 blank Line 9 Base Non-Heating Load (Ccf), which is Line 7 times applicable Base Non-Heating load factor by customer class Line 10 blank Line 11 Total Volumes Sold Line 12 blank Line 13 Heating Load (Ccf), which is Line 11 minus Line 9 Lines 14-15 blank Line 16 HDD Factor, which is Line 4 divided by Line 1 Line 17 blank Line 18 Adjusted Heating Load (Ccf), which is Line 13 divided by Line 16 Line 19 blank Line 20 WNF, which is [(Line 18 plus Line 9) divided by Line 11] Line 21-22 blank Line 23 Volumetric Fee (\$ per Ccf) Line 24 blank Line 25 Adjusted Volumetric Fee (Line 23 times Line 20) Line 26-27 blank Line 28 Effect on revenue, which is [(Line 25 minus Line 23) x Line 11]. Each report shall have a column of data for each of the three Weather Normalization months, with fields populated for the latest and prior months in a winter season. COMPLIANCE REPORT The Company shall file with the Commission an annual report verifying the past year`s WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area.The Company shall file the report with the Commission electronically at GUD compliance@rrc.texas.gov or at the following address: WNA Tariff Filing Director of Oversight and Safety Division Gas Services Department Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

COG-CRRC

A. APPLICABILITY

This Cost of Gas Adjustment shall apply to all customer classes receiving natural gas service from Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (hereinafter called Company).

B. DEFINITIONS

1. Cost of Gas - The rate per billing unit or the total calculation under this adjustment, consisting of the Commodity Cost, the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, and the revenue associated fees and taxes.



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2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio plus an adjustment for any known and quantifiable under or over collection prior to the end of the reconciliation period.

3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply reservation, storage, balancing including penalties, and swing services necessary for the movement of gas to the Company's city gate delivery points. The Cost of Purchased Gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). Renewable Natural Gas is the term used to describe pipeline-quality biomethane produced from biomass. The Cost of Purchased Gas shall not include the cost of financial instruments unless the use of such financial instruments is approved in advance and in writing by the Director of the Oversight and Safety Division of the Railroad Commission of Texas, Gas Services Dept. Such approval would be requested as part of the Company's annual gas purchase plan, which shall be submitted annually to the Commission no later than June 15.

4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.

5. Reconciliation Audit - An annual review of the Company's books and records for each 12 month period ending with the production month of June to determine the amount of over or under collection occurring during such 12 month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its general service customers during the period, including prudently incurred gains or losses on the approved use of natural gas financial instruments, (b) the revenues received from operation of the provisions of this Cost of Gas Adjustment reduced by the amount of revenue associated fees and taxes paid by the Company on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Adjustment, (d) the total amount accrued for imbalances under the transportation rate schedule(s) net of fees and applicable taxes, (e) the total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge

6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the 12 month period ending June 30 by the sum of the volumes sold to general service customers. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 1.0526 i.e.  $1/(1 - 0.05)$  unless expressly

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authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the Cost of Gas Adjustment. Entries shall be made monthly to reflect, (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records (per Section B(3) above), including prudently incurred gains or losses on the use of approved natural gas financial instruments, (b) the revenues produced by the operation of this Cost of Gas Adjustment, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge.

8. Uncollectible Cost of Gas - the amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked along with any subsequent recovery/credits related to the cost of gas adjustment. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting reconciliation component.

9. Customer Rate Relief Charge - A nonbypassable volumetric charge incorporated into the Companys Cost of Gas as required under the Companys Customer Rate Relief Rate Schedule and the Railroad Commission of Texass Financing Order in Docket No. OS-21-00007061 issued on February 8, 2022. The Customer Rate Relief Charge is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments, and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

C. COST OF GAS

In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied,

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subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON FUNDS

Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. SURCHARGE OR REFUND PROCEDURES

In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included in the Reconciliation Account.

Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Interest on Funds, above.

G. COST OF GAS STATEMENT

The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth (a) the estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (f) the Cost of Gas calculation, including gains and losses from approved hedging activities for the month; and (g) the beginning and ending date of the billing period, and (h) the Customer Rate Relief Charge. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas.

H. ANNUAL RECONCILIATION REPORT

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

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the 12 months ending June 30.
2. A tabulation of gas units sold to general service customers and related Cost of Gas Adjustment revenues.
3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Adjustment to date.
4. A description of the hedging activities conducted each month during the twelve months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period.
5. A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances incurred, the monthly balances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.
6. A tabulation of uncollectible cost of gas during the period and its effect on the Cost of Gas Adjustment to date.
7. The amount of gas cost attributable to the Customer Rate Relief Charge.

This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

**PSFUG2023**

The Company will pass on the one-time customer charge for the Pipeline Safety Inspection Fee in the amount of \$0.96 for each service line reported to be in service at the end of calendar year 2023, pursuant to the Texas Utilities Code 121.211 and the Commission's Rules and Regulations. The Pipeline Safety Inspection Fee is based on the amount of \$1.00 per service line, as specified by the Railroad Commission of Texas.

**RCE**

APPLICABILITY

All jurisdictional customers in the unincorporated areas receiving natural gas service from UNIGAS (hereinafter called UNIGAS or Company).

RCE SURCHARGE

Pursuant to the Final Order in Case No. OS-20-00004865, UNIGAS is authorized to recover a total of \$671,285.46 in rate case expenses from Case No. OS-20-00004865 jurisdictional customers identified above by surcharge at the rate of \$0.130/Mcf

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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

for a period of approximately sixty (60) months commencing for bills rendered on or after the date the Commission approves this rate schedule.

COMPLIANCE REPORT

The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00004865 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD\_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967.

**TAXES**

TAXES

If applicable, in addition to the monthly charges above, each customer`s bill will include a charge for an amount equivalent to the customer`s proportional part of any governmental levies payable by the Company, exclusive of federal income taxes. The tax adjustment is calculated in accordance with the following formula: tax amount divided by volume (Mcf) billed that month equals tax adjustment, applied per Mcf. From time to time, any tax factor may be adjusted, if required, to account for any over- or under-recovery by the Company and to include an amount equivalent to the proportionate part of any new tax or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Additional Gross Receipts Taxes and/or Franchise Fees applicable within municipalities shall only be charged to customers within the incorporated areas.

**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>
41860	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Bexar County			
41861	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Chambers County			
41862	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Collin County			
41863	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Comal County			
41864	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Denton County			
41865	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Galveston County			
41866	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Grimes County			
41867	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Guadalupe County			
41868	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Harris County			
41869	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Hays County			
41870	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Kendall County			
41871	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Liberty County			
41872	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Montgomery County			
41873	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Tarrant County			
41874	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Walker County			
42093	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Johnson County			
42094	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Wilson County			

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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>
42095	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Wise County			
42159	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Brazoria County			
42160	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Waller County			
41860	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Bexar County			
41861	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Chambers County			
41862	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Collin County			
41863	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Comal County			
41864	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Denton County			
41865	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Galveston County			
41866	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Grimes County			
41867	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Guadalupe County			
41868	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Harris County			
41869	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Hays County			
41870	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Kendall County			
41871	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Liberty County			
41872	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Montgomery County			
41873	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Tarrant County			

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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>
41874	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Walker County			
42093	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Johnson County			
42094	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Wilson County			
42095	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Wise County			
42159	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Brazoria County			
42160	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Waller County			

**REASONS FOR FILING**

NEW?: N

RRC DOCKET NO: Update rate schedule

CITY ORDINANCE NO:

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN):

**SERVICES**

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

**PREPARER - PERSON FILING**

RRC NO: 469 ACTIVE FLAG: Y INACTIVE DATE:

FIRST NAME: Amy MIDDLE: L LAST NAME: Doyal

TITLE: Director Regulatory Compliance

ADDRESS LINE 1: 9750 FM 1488

ADDRESS LINE 2:

CITY: Magnolia STATE: TX ZIP: 77354 ZIP4: 1619

AREA CODE: 281 PHONE NO: 252-6700 EXTENSION:



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## CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
7455	<p>Curtailment Plan</p> <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</p>

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distribution systems which serve human needs customers;

(B) firm deliveries to electric generation facilities;

(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;

(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

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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.

**LINE EXTENSION POLICY**

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1242	Line Extension and/or Re-Route Policy: Actual Cost Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Companys expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customers side of the meter at customer request
1243	Individual Residential ` Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main and any length of gas mains in excess of the first 50 feet, or service lines, yard lines, and meter set required for the establishment of service, shall be charged to customer at Actual Cost
1244	Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Companys Actual Cost of the necessary gas line extension(s) and related facilities, including gas mains, service lines, meters and regulators
1245	Other Commercial, Industrial or other non-residential locations ` Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost

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## QUALITY OF SERVICE

<u>QUAL_SERVICE_ID</u>	<u>DESCRIPTION</u>
QSR_1	<p>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 shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p>(2) Customer relations.</p> <p>(A) Information to customers. Each utility shall:</p> <p>(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information 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</p>

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to advise applicants and others entitled to the information as to the facilities available for serving that locality;

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

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

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

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

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

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

(II) the customer`s right to have his or her meter checked without charge under paragraph (7) of this section, if applicable; (III) the time allowed to pay outstanding bills; (IV) grounds for termination of service; (V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service; (VII) information on alternative payment plans offered by the utility; (VIII) the steps necessary to have service reconnected after involuntary termination; (IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority; (X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and (XI) the customer`s right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

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

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

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

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guidelines:

- (i) Every deferred payment plan entered into due to the customer`s inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.
- (ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer`s ability to pay; customer`s payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.
- (iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer`s signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility`s failure or refusal to comply with the terms of this agreement.
- (iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility`s error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.
- (v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.
- (vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

- (i) Applicability. This subparagraph applies only to: (I) a utility that assesses late payment charges on residential customers and that suspends 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.

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

- (i) Applicant`s facilities inadequate. If the applicant`s installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.
- (ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.
- (iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

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

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

QSR\_2 RULE Section 7.45 Quality of Service; (vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

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

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

(C) A customer`s utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit of the disconnect notice in the United States mail,

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postage prepaid or hand delivery of the disconnect notice 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. Emailed disconnect notices may be provided in addition to deposit of the disconnect notice in the United States mail, postage prepaid or hand delivery to the customer. 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;
- (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



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written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

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

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

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

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

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

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

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, .571.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

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

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

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum

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interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

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

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

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show: (I) the name and address of each depositor; (II) the amount and date of the deposit; and (III) each transaction concerning the deposit.

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

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

(F) Refund of deposit.

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

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

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

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

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless

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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 whether it is issued through the United States mail or electronic methods. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

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

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

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RULE Section 7.45 Quality of Service;

(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.

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(7) Meters.

(A) Meter requirements.

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

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

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

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

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

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

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

(iv) Meter tests on request of customer.

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

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

(v) Bill adjustments due to meter error.

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

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location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

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

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

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

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SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
317663	Charges		The service charges listed below are in addition to any other charges under the Company`s Tariff for Gas Service and will be applied for the condition described
317663	Charges		The service charges listed below are in addition to any other charges under the Company`s Tariff for Gas Service and will be applied for the condition described.
317664	Hours		Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays
317664	Hours		Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays
317665	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer`s subsequent bill
317665	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer`s subsequent bill.
317666	M-1		Application for Service: \$35.00. A charge shall be made for new customer account set-up, and credit inquiry, including special meter reading

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317667	M-2	<p>Reconnection Charge During Normal Business Hours: \$45.00. During normal business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, subject to the following exceptions: (a) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (b) For any reason deemed necessary for Company operations. NOTE: The charges will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test</p>
317668	M-3	<p>Reconnection Charge After Business Hours: \$60.00. After standard business hours, there shall be a charge for applicable services set forth in M-2. NOTE: The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test</p>
317669	M-4	<p>Field Read of Meter .5 Special: \$35.00. A charge shall be made for special meter readings requested by Customer such as termination of service, meter re-read, etc</p>
317670	M-5	<p>Charge for Temporary Discontinuance of Service, Residential: \$35.00. Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address</p>
317671	M-6	<p>Charge for Temporary Discontinuance of Service, Commercial: \$60.00. Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address</p>
317672	M-7	<p>Charge for Meter Testing: Actual Cost. The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his</p>

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317673	M-8	<p>authorized representative to be present if the customer so desires. The customer must be properly informed of the result of any test on that customer`s meter. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee if the meter is not more than 2% out of calibration.</p>
317673	M-8	<p>Change Regulator Pressure and Additional Regulators: \$50.00/Actual Cost. A \$50.00 charge shall be made to change the pressure of the regulator upstream of Customer`s meter due to an increase in pressure required by Customer. Additional regulators required to reduce pressure downstream of Customer`s meter, as may be required by customer`s specific requirements, shall be charged at Actual Cost.</p>
317674	M-9	<p>Change Meter Location: Actual Cost. A charge shall be made when Company personnel cannot gain unlimited access to its meter at all times due to actions taken by customer</p>
317675	M-10	<p>Collection Call or Missed Appointment: \$35.00. Collection Call, trip charge or Missed Appointment (Per Trip)</p>
317676	M-11	<p>Returned Check Charges, Returned ACH, Declined Credit Card: \$35.00. A charge shall be made for returned check handling charges for each check returned unpaid, ACH returned unpaid or declined, or declined credit card for any reason</p>
317677	M-12	<p>New Construction Service Deposits .5 Residential: \$75. A Deposit may be required based on credit inquiry results and/or after disconnection for non-payment, subject to Railroad Commission of Texas rules. If a Deposit is required, then service may not be initiated or restored until the Deposit and other applicable fees have been paid</p>
317678	M-13	<p>Residential Customer Deposit: AFTER a history has been established. Customer Service Deposits shall not exceed one-sixth of the customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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</p>



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317679	M-14	<p>estimated billings, a new deposit requirement may be calculated and an additional deposit may be required to be paid within five 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. 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 and no cash deposit shall be required of such applicant under these conditions.</p>
317680	M-15	<p>New Construction Small Commercial Deposit: \$250 (Small Commercial customer class only). For purposes of these Miscellaneous Service Charges, Small Commercial customers are defined as commercial customers consuming less than 150 MCF per monthly billing period. A Deposit shall be required for all Small Commercial customers. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.</p> <p>Small Commercial Customer Deposit: AFTER a history has been established. Customer Service Deposits shall not exceed one-sixth of the Small Commercial customer's annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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.</p>
317681	M-16	<p>Large Commercial Customer Deposit: Variable (Large Commercial customer class only). For purposes of these Miscellaneous Service Charges, a Large Commercial Customer is defined as any commercial customer consuming more than 150 MCF of gas in any monthly billing period. The initial Deposit shall be based on Company's estimate of the Customer's highest gas consumption month (based on type and size of business) and shall be equal to 2 times the net bill for such month. After 12 months' billing history has been accumulated, an additional or reduced Deposit equal to 2 times the net bill for the highest consumption month</p>

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in the most recent 12 month period shall be required from the Customer. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.

317682 M-17

Tampering Charge: \$175.00. A Tampering Charge shall be made for unauthorized connection, reconnection, restoration of gas service or other tampering with Company metering lines and/or facilities or a theft of gas service by a person on the customer's premises, including but not limited to altering the meter index reading and removing a Company lock (the Tampering Offense Rule). Service may not be restored until all charges related to violation of the Tampering Offense Rule, including stolen gas, have been paid in full. A. The following additional charges shall be made by Company for violation of the Tampering Offense Rule:  
 1. First offense: Company shall collect an additional service deposit equal to twice the Customer's highest gas bill for the previous 12 months, or lesser period if the Customer has less than 12 months' history.  
 2. Second offense: If within 12 months following a first offense, Customer is found to have committed a second offense, then Company shall terminate gas service at Customer's service address.

317683 M-18

Repair Damaged Meters & Regulators: Actual Cost. A. The following charges shall be paid by customer when the damage to a residential meter and related equipment is proximately caused by customer and requires replacement, repair and/or re-installation of the damaged item: 1. Damage to Cover and/or non-electronic Index: Actual Cost, plus 2. Damage to automated meter reading instruments: Actual Cost, plus 3. Additional damage to meter set (including, but not limited to: riser, regulator, fittings, locks, and meter): Actual Cost. B. Damages to commercial meters, regulators, indexes, automated meter reading equipment and related facilities and equipment when the damage is caused by customer or customer's employee's agents or contractors shall be at Actual Cost.

317684 M-19

Tap and Meter Setting Fee - Residential Customers: \$325.00 and Actual Cost. The Tap Fee to provide an initial tap into the Company's distribution system for the establishment of service at a Residential location includes up to 15 feet of 3/4 service line under dry conditions and excludes bores, rocky ground, trees, other utilities, and other obstacles. Customer shall be charged an additional sum for the Actual Cost of making its tap and installing up to 15 feet of 3/4 service line in the event that bores, rocky ground,

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317685	M-20	<p>trees, other utilities, and other obstacles are encountered. The charge also includes installation and setting of a standard residential meter (250 cfh @ 4 ounces or 2 PSIG outlet pressure at customer`s election) together with regulator, riser, fittings, and pressure test of customer piping. Installation of required service line beyond the first 15 feet shall be at Actual Cost. All other capacity and delivery pressure requirements are at Actual Cost to be approved and paid by the Customer in advance of work, unless otherwise subject to a separate agreement.</p>
317686	M-21	<p>Tap and Meter Setting Fee - Small and Large Commercial Customers: \$400.00 and Actual Cost. Fee to provide initial tap into the Company`s distribution system for the establishment of service at a Commercial or other non-residential location. Customer shall be charged an additional sum for the Actual Cost of the service line, meter cost and setting the meter and required pressure regulation equipment, valves, fittings and materials. Customer shall approve and pay such Actual Costs in advance of work.</p>
		<p>Line Extension and/or Re-Route Policy: Actual Cost. Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Company`s expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customer`s side of the meter at customer request. Such gas line extensions shall be made only under the following conditions: (A) Individual Residential .5 Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main as well as any length of gas mains in excess of the first 50 feet, or service lines and meter set required for the establishment of service shall be charged to customer at Actual Cost. (B) Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon</p>

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		<p>execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Company`s Actual Cost of the necessary gas line extension and related facilities, including gas mains, service lines, meters and regulators. (C) Other Commercial or other non-residential locations .5 Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost.</p>
317687	M-22	<p>Law Enforcement Escort Fee or Animal Control Fee: \$200.00 or Actual Cost. The greater of \$200.00 or Actual Cost shall be charged if the Company determines that any visit to a customer`s premises requires Company personnel to be accompanied by a law enforcement official or animal control official</p>
317688	M-23	<p>History Research Fee: \$20.00 Per Request. A fee shall be charged for services related to account history research and Customer accounting/billing history documentation for each calendar year or partial year.</p>
317689	M-24	<p>Upgrading a Meter: Actual Cost. Customer shall pay the Actual Cost to upgrade a meter upon request of customer or a change in customer usage requirements.</p>
317690	M-25	<p>Stand-By Generator Recovery of Connection Cost: Actual Cost. A charge shall be made so that the company can be reimbursed for the Actual Cost of installing and acquiring the regulator, service line, and meter required to provide natural gas to a stand-by gas generator.</p>
317691	M-26	<p>Excess Flow Valve: \$15.00. A charge shall be made for the installation of an excess flow valve. The excess flow valve will be installed on the service line on the upstream side of the customer`s meter.</p>
317692	M-27	<p>Light Customer`s Appliance Pilot Lights at Customer`s Request: \$40.00. If requested by Customer, a charge shall be made for Company to light pilot lights in one or more of Customer`s appliances (excluding re-lighting due to gas outage caused by Company).</p>

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DESCRIPTION: Distribution Sales STATUS: A  
EFFECTIVE DATE: 06/25/2024 ORIGINAL CONTRACT DATE: RECEIVED DATE: 07/12/2024  
GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO: 878395  
BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
WNA	<p>The Weather Normalization Factor (WNF) is a factor that adjusts the Volumetric Fee for each 100 cubic feet (Ccf) of natural gas sold. The WNF is designed to refund over-collections and to surcharge for under-collections of revenue due to colder than normal or warmer than normal weather. In order to reflect weather variances in a timely and accurate manner, the WNF is calculated monthly and is based on monthly weather information for the three-month period beginning with December and ending with February. The Weather Normalization Factor shall apply only to residential customers, and for purposes of this WNF, the Company will designate residential customers into either the Conroe Area or New Braunfels/San Antonio Area, as applicable, based on meter location. Formula. The WNF is calculated, as follows: [Adjusted Heating Load plus Base Non-Heating Load] divided by Total Volumes Sold Where: Adjusted Heating Load (Ccf) = Heating Load divided by HDD Factor AvgHDD = Average heating degree-days for a calendar month as measured by the National Oceanic and Atmospheric Administration (NOAA) for the period 2009 through 2019 at their weather station in Conroe, Texas or San Antonio, Texas, as applicable. The AvgHDD values used to calculate the WNF are: For the Conroe Weather Station: December 387, January 461.65, February 295.75 For the San Antonio Weather Station: December 321.9, January 373.99, February 237.05 Base Non-Heating Load (Ccf) = Base load factor x the number of bills issued for each class where base load factors are as follows:Conroe Area Residential ` 12.28 Ccf New Braunfels/San Antonio Area Residential ` 12.28 Ccf Bills = Number of bills issued to customers for gas sold that month HDD = A heating degree day is a measurement of demand for energy to heat houses and businesses. The WNF is based upon actual heating degree-days for a calendar month as measured by the NOAA at their weather station located in Conroe, Texas or San Antonio, Texas, as applicable. HDD Factor (Heating Degree-Day Factor) = HDD divided by AvgHDD Heating Load (Ccf) = Total Volumes Sold minus Base Non-Heating Load Weather Normalization months = December, January, February Report. Within 45 days from the last day in each Weather Normalization month, the company shall provide to the Commission, in spreadsheet format, one WNF Compliance Report per Weather Normalization month to demonstrate how the Company calculated the WNF for residential customers in each of the Conroe Area and New Braunfels/San Antonio Area, using the following format: FORMAT FOR WNF COMPLIANCE REPORT Line 1 AvgHDD Lines 2-3 blank Line 4 HDDs (for Conroe or San Antonio weather station, as applicable) Lines 5-6 blank Line 7 Bills Line 8 blank Line 9 Base Non-Heating Load (Ccf), which is Line 7 times applicable Base Non-Heating load factor by customer class Line 10 blank Line 11 Total Volumes Sold Line 12 blank Line 13 Heating Load (Ccf), which is Line 11 minus Line 9 Lines 14-15 blank Line 16 HDD Factor, which is Line 4 divided by Line 1 Line 17 blank Line 18 Adjusted Heating Load (Ccf), which is Line 13 divided by Line 16 Line 19 blank Line 20 WNF, which is [(Line 18 plus Line 9) divided by Line 11] Line 21-22 blank Line 23 Volumetric Fee (\$ per Ccf) Line 24 blank Line 25 Adjusted Volumetric Fee (Line 23 times Line 20) Line 26-27 blank Line 28 Effect on revenue, which is [(Line 25 minus Line 23) x Line 11].</p>

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Each report shall have a column of data for each of the three Weather Normalization months, with fields populated for the latest and prior months in a winter season. COMPLIANCE REPORT The Company shall file with the Commission an annual report verifying the past year`s WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area. The Company shall file the report with the Commission electronically at GUD compliance@rrc.texas.gov or at the following address: WNA Tariff Filing Director of Oversight and Safety Division Gas Services Department Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

COG-CRRC

A. APPLICABILITY

This Cost of Gas Adjustment shall apply to all customer classes receiving natural gas service from Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (hereinafter called Company).

B. DEFINITIONS

1. Cost of Gas - The rate per billing unit or the total calculation under this adjustment, consisting of the Commodity Cost, the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, and the revenue associated fees and taxes.

2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio plus an adjustment for any known and quantifiable under or over collection prior to the end of the reconciliation period.

3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply reservation, storage, balancing including penalties, and swing services necessary for the movement of gas to the Company`s city gate delivery points. The Cost of Purchased Gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). Renewable Natural Gas is the term used to describe pipeline-quality biomethane produced from biomass. The Cost of Purchased Gas shall not include the cost of financial instruments unless the use of such financial instruments is approved in advance and in writing by the Director of the Oversight and Safety Division of the Railroad Commission of Texas, Gas Services Dept. Such approval would be requested as part of the Company`s annual gas purchase plan, which shall be submitted annually to the Commission no later than June 15.

4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.

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5. Reconciliation Audit - An annual review of the Company`s books and records for each 12 month period ending with the production month of June to determine the amount of over or under collection occurring during such 12 month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its general service customers during the period, including prudently incurred gains or losses on the approved use of natural gas financial instruments, (b) the revenues received from operation of the provisions of this Cost of Gas Adjustment reduced by the amount of revenue associated fees and taxes paid by the Company on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Adjustment, (d) the total amount accrued for imbalances under the transportation rate schedule(s) net of fees and applicable taxes, (e) the total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge

6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the 12 month period ending June 30 by the sum of the volumes sold to general service customers. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 1.0526 i.e.  $1/(1 - 0.05)$  unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the Cost of Gas Adjustment. Entries shall be made monthly to reflect, (a) the total amounts paid to the Company`s supplier(s) for gas applicable to general service customers as recorded on the Company`s books and records (per Section B(3) above), including prudently incurred gains or losses on the use of approved natural gas financial instruments, (b) the revenues produced by the operation of this Cost of Gas Adjustment, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge.

8. Uncollectible Cost of Gas ` the amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked along with any subsequent recovery/credits related to the cost of gas adjustment. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting reconciliation component.

9. Customer Rate Relief Charge - A nonbypassable volumetric charge incorporated

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into the Companys Cost of Gas as required under the Companys Customer Rate Relief Rate Schedule and the Railroad Commission of Texass Financing Order in Docket No. OS-21-00007061 issued on February 8, 2022. The Customer Rate Relief Charge is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments, and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

C. COST OF GAS

In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied, subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON FUNDS

Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. SURCHARGE OR REFUND PROCEDURES

In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included in the Reconciliation Account.



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Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Interest on Funds, above.

## G. COST OF GAS STATEMENT

The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth (a) the estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (f) the Cost of Gas calculation, including gains and losses from approved hedging activities for the month; and (g) the beginning and ending date of the billing period, and (h) the Customer Rate Relief Charge. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas.

## H. ANNUAL RECONCILIATION REPORT

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

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the 12 months ending June 30.
2. A tabulation of gas units sold to general service customers and related Cost of Gas Adjustment revenues.
3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Adjustment to date.
4. A description of the hedging activities conducted each month during the twelve months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period.
5. A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances incurred, the monthly balances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.
6. A tabulation of uncollectible cost of gas during the period and its effect on the Cost of Gas Adjustment to date.
7. The amount of gas cost attributable to the Customer Rate Relief Charge.

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This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

**PSFUG2023**

The Company will pass on the one-time customer charge for the Pipeline Safety Inspection Fee in the amount of \$0.96 for each service line reported to be in service at the end of calendar year 2023, pursuant to the Texas Utilities Code 121.211 and the Commission's Rules and Regulations. The Pipeline Safety Inspection Fee is based on the amount of \$1.00 per service line, as specified by the Railroad Commission of Texas.

**RCE**

APPLICABILITY

All jurisdictional customers in the unincorporated areas receiving natural gas service from UNIGAS (hereinafter called UNIGAS or Company).

RCE SURCHARGE

Pursuant to the Final Order in Case No. OS-20-00004865, UNIGAS is authorized to recover a total of \$671,285.46 in rate case expenses from Case No. OS-20-00004865 jurisdictional customers identified above by surcharge at the rate of \$0.130/Mcf for a period of approximately sixty (60) months commencing for bills rendered on or after the date the Commission approves this rate schedule.

COMPLIANCE REPORT

The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00004865 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD\_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967.

**TAXES**

TAXES

If applicable, in addition to the monthly charges above, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of any governmental levies payable by the Company, exclusive of federal income taxes. The tax adjustment is calculated in accordance with the following formula: tax amount divided by volume (Mcf) billed that month equals tax adjustment, applied per Mcf. From time to time, any tax factor may be adjusted, if required, to account for any over- or under-recovery by the Company and to include an amount equivalent to the proportionate part of any new tax or any other governmental imposition, rental

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fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Additional Gross Receipts Taxes and/or Franchise Fees applicable within municipalities shall only be charged to customers within the incorporated areas.

CRR2

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC. (UNIGAS)  
 CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to all Sales Customers for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (the Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Docket No. OS-21-00007061.

ABBREVIATIONS AND DEFINITIONS

- 1) Authority - The Texas Public Finance Authority, together with any successor to its duties and functions.
- 2) Bonds or Customer Rate Relief (CRR) Bonds - The Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023 and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.
- 3) Ccf and Mcf - For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.
- 4) Central Servicer - The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of it under the Servicing Agreement (as defined in the Financing Order).
- 5) Commission - The Railroad Commission of Texas, including its staff or delegate.
- 6) CRR Charge True-Up Adjustment - A True-Up Adjustment (as defined in the Financing Order).
- 7) CRR Charge True-Up Charge Adjustment Letter - A true-up adjustment letter substantially in the form of Exhibit 3 to the Financing Order.
- 8) CRR Scheduled Adjustment Date - January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date the Bonds

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so as to reflect the terms of the Servicing Agreement.

9) Customer Rate Relief (CRR) Charge - A nonbypassable charge as defined in Tex. Util. Code 104.362(7).

10) Financing Order - The order adopted under Tex. Util. Code 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

11) Gas Utility - UniGas and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commissions jurisdiction under Tex. Util. Code 102.001, or an operator that transmits, transports, delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.

12) Irrevocable - The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code 104.362(8) and the CRR Charge authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.

13) Issuer Entity - Texas Natural Gas Securitization Finance Corporation, a Texas nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Govt Code 1232.1072.

14) Large Participating Gas Utility - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and any Participating Gas Utility or Successor Utility (as defined in the Financing Order) each of whose Normalized Sales Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after Normalized Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation without any limitation in order to give effect to any merger, acquisition, disposition, divestiture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes. The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effective beginning on January 1

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of the following calendar year.

15) Nonbypassable - CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.

16) Normalized Sales Volumes -

a) For Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.

b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar year in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21-00007061, Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

17) Participating Gas Utilities - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas, Inc. ; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).

18) Sales Customer(s) - All active customers taking service under a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

(B) APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR Charge shall be billed and collected by UniGas as a Participating Gas Utility for all of its Texas customers under the terms of the Financing Order. Individual Sales Customers are responsible for paying the CRR Charge billed to them in accordance with the terms of this rate schedule. Payment is to be made to the gas utility that bills the customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to

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applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

(C) TERM This rate schedule shall remain in effect until the CRR Charges have been collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonby-passable.

(D) SALES CUSTOMERS For the purposes of billing the CRR Charges, all Sales Customers of UniGas shall be assessed the uniform volumetric charge identified below.

(E) CRR CHARGE

The CRR Charge will be a monthly volumetric rate of \$1.10/Mcf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true-up adjustment procedure. The CRR Charge shall be included in the Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below at 14.65 per square inch, as defined above.

(F) DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes

- (A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)
- (B) Assumed % of uncollectible sales
- (C) Total Normalized Sales Volumes Billed and Collected:  $(A * (1 - B))$ .

Step 2: Determination of CRR Charge

- (D) Total CRR Charge Rate Revenue Requirement for Applicable Period
- (E) CRR Charge per Normalized Sales Volumes (Mcf):  $(D / C)$ .  
 Thereof: CRR Charge for Sales Customers.

GAS SERVICES DIVISION  
 GSD - 1 TARIFF REPORT

RRC COID: 3524 COMPANY NAME: UNIVERSAL NATURAL GAS, INC.

TARIFF CODE: DS RRC TARIFF NO: 35082

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

(G) CRR CHARGE TRUE-UP

Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

(H) CRR CHARGE TRUE-UP PROCEDURE

UniGas shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If UniGas is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Large Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commissions review and approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating to the appropriate amount of any over-collection or under-collection of CRR Charges and the amount of an adjustment).

If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is

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SCHEDULE ID

DESCRIPTION

necessary, (i) the Central Servicer may request and the Large Participating Gas Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. UniGas shall have the right to provide such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.

(I) TAXABILITY

The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

Bill rendered on or after 10/01/2023

Res-IRA3

AVAILABILITY

This schedule is available to residential consumers in unincorporated areas and in all incorporated areas unless otherwise covered by a specific UNIGAS rate schedule for residential consumers in incorporated areas receiving natural gas service from UNIGAS (hereinafter called Company).

APPLICATION OF SCHEDULE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible residential customers residing in single family or multi-unit residential dwellings in which each unit requires a separate connection and meter. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery and shall not be resold or shared with others. If the Consumer has a written contract with Company, the terms and provision of such contract shall be controlling.

BASE MONTHLY RATE For bills rendered on and after the effective date of this rate schedule, the monthly billing period rate for each customer receiving service under this rate schedule shall be the sum of the following:

Monthly Customer Charge: \$43.18, which is comprised of the  
 Base Charge: \$18.00 and the  
 Interim Rate Adjustments (IRA) of \$25.18.  
 All Gas Consumed at: \$3.14 per MCF.

OTHER ADJUSTMENTS



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Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule COG.

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

Pipeline Safety Inspection Fee: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety Inspection Fee, Rate Schedule PSFUG.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

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

Miscellaneous Service Charges: The billing shall reflect adjustments in accordance with provisions of the Miscellaneous Service Charges, Rate Schedule M.

**RATE ADJUSTMENT PROVISIONS**

None

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CUSTOMERS				
<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
41860	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Bexar County			
41861	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Chambers County			
41862	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Collin County			
41863	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Comal County			
41864	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Denton County			
41865	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Galveston County			
41866	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Grimes County			
41867	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Guadalupe County			
41868	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Harris County			
41869	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Hays County			
41870	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Kendall County			
41871	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Liberty County			
41872	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Montgomery County			
41873	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Tarrant County			
41874	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Walker County			
42093	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Johnson County			
42094	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Wilson County			

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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>
42095	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Wise County			
42159	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Brazoria County			
42160	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Customers located in Waller County			
41861	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Chambers County			
41862	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Collin County			
41863	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Comal County			
41864	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Denton County			
41865	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Galveston County			
41866	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Grimes County			
41867	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Guadalupe County			
41868	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Harris County			
41869	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Hays County			
41870	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Kendall County			
41871	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Liberty County			
41872	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Montgomery County			
41873	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Tarrant County			
41874	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Walker County			

RAILROAD COMMISSION OF TEXAS  
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**TARIFF CODE: DS RRC TARIFF NO: 35082**

**CUSTOMERS**

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
42093	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Johnson County			
42094	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Wilson County			
42095	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Wise County			
42159	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Brazoria County			
42160	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Waller County			
41860	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Customers located in Bexar County			

**REASONS FOR FILING**

<b>NEW?:</b> N
<b>RRC DOCKET NO:</b> Update rate schedule
<b>CITY ORDINANCE NO:</b>
<b>AMENDMENT (EXPLAIN):</b>
<b>OTHER (EXPLAIN):</b>

**SERVICES**

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

**PREPARER - PERSON FILING**

<b>RRC NO:</b> 469	<b>ACTIVE FLAG:</b> Y	<b>INACTIVE DATE:</b>
<b>FIRST NAME:</b> Amy	<b>MIDDLE:</b> L	<b>LAST NAME:</b> Doyal
<b>TITLE:</b> Director Regulatory Compliance		
<b>ADDRESS LINE 1:</b> 9750 FM 1488		
<b>ADDRESS LINE 2:</b>		
<b>CITY:</b> Magnolia	<b>STATE:</b> TX	<b>ZIP:</b> 77354 <b>ZIP4:</b> 1619
<b>AREA CODE:</b> 281	<b>PHONE NO:</b> 252-6700	<b>EXTENSION:</b>

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**CURTAILMENT PLAN**

<u>PLAN ID</u>	<u>DESCRIPTION</u>
7455	<p data-bbox="282 405 493 430">Curtailment Plan</p> <p data-bbox="282 436 644 462">?7.455 Curtailment Standards</p> <p data-bbox="282 468 1424 520">(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 data-bbox="282 558 1487 667">(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 data-bbox="282 674 909 699">(2) Commission--The Railroad Commission of Texas.</p> <p data-bbox="282 705 1487 905">(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 data-bbox="282 911 1396 995">(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 data-bbox="282 1001 1383 1054">(5) Firm or firm deliveries--Natural gas deliveries that are described as firm under a contract or tariff.</p> <p data-bbox="282 1060 1487 1144">(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 data-bbox="282 1150 1461 1262">(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 data-bbox="282 1268 1461 1320">(8) Interruptible or interruptible deliveries--Natural gas deliveries that are not described as firm under a contract or tariff.</p> <p data-bbox="282 1358 1476 1650">(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 data-bbox="282 1688 477 1713">(c) Priorities.</p> <p data-bbox="282 1751 1461 1835">(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 data-bbox="282 1873 1409 1898">(A) firm deliveries to human needs customers and firm deliveries of natural gas to local</p>

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distribution systems which serve human needs customers;

(B) firm deliveries to electric generation facilities;

(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;

(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

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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.

**LINE EXTENSION POLICY**

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1242	Line Extension and/or Re-Route Policy: Actual Cost Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Companys expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customers side of the meter at customer request
1244	Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Companys Actual Cost of the necessary gas line extension(s) and related facilities, including gas mains, service lines, meters and regulators
1243	Individual Residential ` Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main and any length of gas mains in excess of the first 50 feet, or service lines, yard lines, and meter set required for the establishment of service, shall be charged to customer at Actual Cost
1245	Other Commercial, Industrial or other non-residential locations ` Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost

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QUALITY OF SERVICE

<u>QUAL_SERVICE_ID</u>	<u>DESCRIPTION</u>
QSR_1	<p>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 shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p>(2) Customer relations.</p> <p>(A) Information to customers. Each utility shall:</p> <p>(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information 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</p>



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to advise applicants and others entitled to the information as to the facilities available for serving that locality;

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

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

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

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

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

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

(II) the customer`s right to have his or her meter checked without charge under paragraph (7) of this section, if applicable; (III) the time allowed to pay outstanding bills; (IV) grounds for termination of service; (V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service; (VII) information on alternative payment plans offered by the utility; (VIII) the steps necessary to have service reconnected after involuntary termination; (IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority; (X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and (XI) the customer`s right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

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

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

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

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guidelines:

- (i) Every deferred payment plan entered into due to the customer`s inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.
- (ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer`s ability to pay; customer`s payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.
- (iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer`s signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility`s failure or refusal to comply with the terms of this agreement.
- (iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility`s error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.
- (v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.
- (vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

- (i) Applicability. This subparagraph applies only to: (I) a utility that assesses late payment charges on residential customers and that suspends 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.

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

- (i) Applicant's facilities inadequate. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.
- (ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.
- (iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

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

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

QSR\_2 RULE Section 7.45 Quality of Service; (vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

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

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

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit of the disconnect notice in the United States mail,

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postage prepaid or hand delivery of the disconnect notice 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. Emailed disconnect notices may be provided in addition to deposit of the disconnect notice in the United States mail, postage prepaid or hand delivery to the customer. 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;
- (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

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written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

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

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

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

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

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

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

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, .571.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

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

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

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum

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interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

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

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

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show: (I) the name and address of each depositor; (II) the amount and date of the deposit; and (III) each transaction concerning the deposit.

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

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

(F) Refund of deposit.

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

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

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

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

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless

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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 whether it is issued through the United States mail or electronic methods. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

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

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

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RULE Section 7.45 Quality of Service;

(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.

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(7) Meters.

(A) Meter requirements.

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

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

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

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

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

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

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

(iv) Meter tests on request of customer.

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

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

(v) Bill adjustments due to meter error.

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



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location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

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

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

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

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SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
317634	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer`s subsequent bill
317634	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer`s subsequent bill.
317635	M-1		Application for Service: \$35.00. A charge shall be made for new customer account set-up, and credit inquiry, including special meter reading
317636	M-2		Reconnection Charge During Normal Business Hours: \$45.00. During normal business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, subject to the following exceptions: (a) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (b) For any reason deemed necessary for Company operations. NOTE: The charges will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder.5s or customer.5s premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test

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317637	M-3	<p>Reconnection Charge After Business Hours: \$60.00. After standard business hours, there shall be a charge for applicable services set forth in M-2. NOTE: The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test</p>
317638	M-4	<p>Field Read of Meter .5 Special: \$35.00. A charge shall be made for special meter readings requested by Customer such as termination of service, meter re-read, etc</p>
317639	M-5	<p>Charge for Temporary Discontinuance of Service, Residential: \$35.00. Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address</p>
317640	M-6	<p>Charge for Temporary Discontinuance of Service, Commercial: \$60.00. Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address</p>
317641	M-7	<p>Charge for Meter Testing: Actual Cost. The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. The customer must be properly informed of the result of any test on that customer`s meter. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee if the meter is not more than 2% out of calibration.</p>
317642	M-8	<p>Change Regulator Pressure and Additional Regulators: \$50.00/Actual Cost. A \$50.00 charge shall be made to change the pressure of the regulator upstream of Customer`s meter due to an increase in pressure required by Customer. Additional regulators required to reduce pressure downstream of Customer`s meter, as</p>

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		may be required by customer`s specific requirements, shall be charged at Actual Cost.
317643	M-9	Change Meter Location: Actual Cost. A charge shall be made when Company personnel cannot gain unlimited access to its meter at all times due to actions taken by customer
317644	M-10	Collection Call or Missed Appointment: \$35.00. Collection Call, trip charge or Missed Appointment (Per Trip)
317645	M-11	Returned Check Charges, Returned ACH, Declined Credit Card: \$35.00. A charge shall be made for returned check handling charges for each check returned unpaid, ACH returned unpaid or declined, or declined credit card for any reason
317646	M-12	New Construction Service Deposits .5 Residential: \$75. A Deposit may be required based on credit inquiry results and/or after disconnection for non-payment, subject to Railroad Commission of Texas rules. If a Deposit is required, then service may not be initiated or restored until the Deposit and other applicable fees have been paid
317647	M-13	Residential Customer Deposit: AFTER a history has been established. Customer Service Deposits shall not exceed one-sixth of the customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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 to be paid within five 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. 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 and no cash deposit shall be required of such applicant under these conditions.
317632	Charges	The service charges listed below are in addition to any other charges under the Company`s Tariff for Gas Service and will be applied for the condition described

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317632	Charges	The service charges listed below are in addition to any other charges under the Company`s Tariff for Gas Service and will be applied for the condition described.
317633	Hours	Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays
317633	Hours	Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays
317648	M-14	New Construction Small Commercial Deposit: \$250 (Small Commercial customer class only). For purposes of these Miscellaneous Service Charges, Small Commercial customers are defined as commercial customers consuming less than 150 MCF per monthly billing period. A Deposit shall be required for all Small Commercial customers. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.
317649	M-15	Small Commercial Customer Deposit: AFTER a history has been established. Customer Service Deposits shall not exceed one-sixth of the Small Commercial customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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.
317650	M-16	Large Commercial Customer Deposit: Variable (Large Commercial customer class only). For purposes of these Miscellaneous Service Charges, a Large Commercial Customer is defined as any commercial customer consuming more than 150 MCF of gas in any monthly billing period. The initial Deposit shall be based on Company`s estimate of the Customer`s highest gas consumption month (based on type and size of business) and shall be equal to 2 times the net bill for such month. After 12 months` billing history has been accumulated, an additional or reduced Deposit equal to 2 times the net bill for the highest consumption month

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in the most recent 12 month period shall be required from the Customer. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.

317651 M-17

Tampering Charge: \$175.00. A Tampering Charge shall be made for unauthorized connection, reconnection, restoration of gas service or other tampering with Company metering lines and/or facilities or a theft of gas service by a person on the customer's premises, including but not limited to altering the meter index reading and removing a Company lock (the Tampering Offense Rule). Service may not be restored until all charges related to violation of the Tampering Offense Rule, including stolen gas, have been paid in full. A. The following additional charges shall be made by Company for violation of the Tampering Offense Rule:

1. First offense: Company shall collect an additional service deposit equal to twice the Customer's highest gas bill for the previous 12 months, or lesser period if the Customer has less than 12 months' history.
2. Second offense: If within 12 months following a first offense, Customer is found to have committed a second offense, then Company shall terminate gas service at Customer's service address.

317652 M-18

Repair Damaged Meters & Regulators: Actual Cost. A. The following charges shall be paid by customer when the damage to a residential meter and related equipment is proximately caused by customer and requires replacement, repair and/or re-installation of the damaged item: 1. Damage to Cover and/or non-electronic Index: Actual Cost, plus 2. Damage to automated meter reading instruments: Actual Cost, plus 3. Additional damage to meter set (including, but not limited to: riser, regulator, fittings, locks, and meter): Actual Cost. B. Damages to commercial meters, regulators, indexes, automated meter reading equipment and related facilities and equipment when the damage is caused by customer or customer's employee's agents or contractors shall be at Actual Cost.

317653 M-19

Tap and Meter Setting Fee - Residential Customers: \$325.00 and Actual Cost. The Tap Fee to provide an initial tap into the Company's distribution system for the establishment of service at a Residential location includes up to 15 feet of 3/4 service line under dry conditions and excludes bores, rocky ground, trees, other utilities, and other obstacles. Customer shall be charged an additional sum for the Actual Cost of making its tap and installing up to 15 feet of 3/4 service line in the event that bores, rocky ground,

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317654	M-20	<p>trees, other utilities, and other obstacles are encountered. The charge also includes installation and setting of a standard residential meter (250 cfh @ 4 ounces or 2 PSIG outlet pressure at customer`s election) together with regulator, riser, fittings, and pressure test of customer piping. Installation of required service line beyond the first 15 feet shall be at Actual Cost. All other capacity and delivery pressure requirements are at Actual Cost to be approved and paid by the Customer in advance of work, unless otherwise subject to a separate agreement.</p>
317655	M-21	<p>Tap and Meter Setting Fee - Small and Large Commercial Customers: \$400.00 and Actual Cost. Fee to provide initial tap into the Company`s distribution system for the establishment of service at a Commercial or other non-residential location. Customer shall be charged an additional sum for the Actual Cost of the service line, meter cost and setting the meter and required pressure regulation equipment, valves, fittings and materials. Customer shall approve and pay such Actual Costs in advance of work.</p>
		<p>Line Extension and/or Re-Route Policy: Actual Cost. Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Company`s expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customer`s side of the meter at customer request. Such gas line extensions shall be made only under the following conditions: (A) Individual Residential .5 Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main as well as any length of gas mains in excess of the first 50 feet, or service lines and meter set required for the establishment of service shall be charged to customer at Actual Cost. (B) Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon</p>

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		<p>execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Company`s Actual Cost of the necessary gas line extension and related facilities, including gas mains, service lines, meters and regulators. (C) Other Commercial or other non-residential locations .5 Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost.</p>
317656	M-22	<p>Law Enforcement Escort Fee or Animal Control Fee: \$200.00 or Actual Cost. The greater of \$200.00 or Actual Cost shall be charged if the Company determines that any visit to a customer`s premises requires Company personnel to be accompanied by a law enforcement official or animal control official</p>
317657	M-23	<p>History Research Fee: \$20.00 Per Request. A fee shall be charged for services related to account history research and Customer accounting/billing history documentation for each calendar year or partial year.</p>
317658	M-24	<p>Upgrading a Meter: Actual Cost. Customer shall pay the Actual Cost to upgrade a meter upon request of customer or a change in customer usage requirements.</p>
317659	M-25	<p>Stand-By Generator Recovery of Connection Cost: Actual Cost. A charge shall be made so that the company can be reimbursed for the Actual Cost of installing and acquiring the regulator, service line, and meter required to provide natural gas to a stand-by gas generator.</p>
317660	M-26	<p>Excess Flow Valve: \$15.00. A charge shall be made for the installation of an excess flow valve. The excess flow valve will be installed on the service line on the upstream side of the customer`s meter.</p>
317661	M-27	<p>Light Customer`s Appliance Pilot Lights at Customer`s Request: \$40.00. If requested by Customer, a charge shall be made for Company to light pilot lights in one or more of Customer`s appliances (excluding re-lighting due to gas outage caused by Company).</p>



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DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 06/25/2024 ORIGINAL CONTRACT DATE: RECEIVED DATE: 07/11/2024  
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO: 878395  
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID                      DESCRIPTION  
 COMM-MUNI23

AVAILABILITY  
 This schedule is available to commercial and other non-residential (hereinafter called Commercial) customers within the municipal boundaries of the Cities of Fort Worth and Houston, Texas receiving natural gas service from UNIGAS (hereinafter called Company).

APPLICATION OF SCHEDULE  
 The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible Commercial customers in which each unit requires a separate connection and meter. 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. If the Customer has a written contract with Company, the terms and provisions of such contract shall be controlling.

BASE MONTHLY RATE  
 For bills rendered on and after the effective date of this rate schedule, the monthly billing period rate for each customer receiving service under this rate schedule shall be the sum of the following:

UNIGAS ? COMMERCIAL TARIFF MATRIX  
 COMMERCIAL CUSTOMER DESCRIPTION    MONTHLY CONSUMPTION CRITERIA  
 Equal to or                                      Less Than or  
 Greater Than:                                  Equal to:                      BASE MONTHLY RATE

Monthly Customer                                  Commodity Charge  
 Small Commercial    0.0 Mcf/Mth.    150.0 Mcf/Mth.    \$45.00/Mth. (Base) +  
 \$89.68/Mth. (Interim Rate Adj.)    =

\$134.68 /Mth. (Total) \$2.91/Mcf  
 Large Commercial    150.1 Mcf/Mth.

N/A \$175.00 /Mth. (Base) + \$1,334.18/Mth. (Interim Rate Adj.)    =  
 \$1,509.18/Mth. (Total) \$2.91/Mcf

OTHER ADJUSTMENTS  
 Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule COG.

Pipeline Safety Inspection Fee: The billing shall reflect adjustments in accordance

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with provisions of the Pipeline Safety Inspection Fee, Rate Schedule PSFUG.

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

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

Miscellaneous Service Charges: The billing shall reflect adjustments in accordance with provisions of the Miscellaneous Service Charges, Rate Schedule M.

**CRR2**

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC. (UNIGAS)  
 CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to all Sales Customers for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (the Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Docket No. OS-21-00007061.

ABBREVIATIONS AND DEFINITIONS

1) Authority - The Texas Public Finance Authority, together with any successor to its duties and functions.

2) Bonds or Customer Rate Relief (CRR) Bonds - The Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023 and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.

3) Ccf and Mcf - For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.

4) Central Servicer - The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of it under the Servicing Agreement (as defined in the Financing Order).

5) Commission - The Railroad Commission of Texas, including its staff or delegate.

6) CRR Charge True-Up Adjustment - A True-Up Adjustment (as defined in the Financing Order).

7) CRR Charge True-Up Charge Adjustment Letter - A true-up adjustment letter

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substantially in the form of Exhibit 3 to the Financing Order.

8) CRR Scheduled Adjustment Date ` January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date the Bonds so as to reflect the terms of the Servicing Agreement.

9) Customer Rate Relief (CRR) Charge - A nonbypassable charge as defined in Tex. Util. Code 104.362(7).

10) Financing Order - The order adopted under Tex. Util. Code 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

11) Gas Utility - UniGas and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commissions jurisdiction under Tex. Util. Code 102.001, or an operator that transmits, transports, delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.

12) Irrevocable - The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code 104.362(8) and the CRR Charge authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.

13) Issuer Entity - Texas Natural Gas Securitization Finance Corporation, a Texas nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Govt Code 1232.1072.

14) Large Participating Gas Utility - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and any Participating Gas Utility or Successor Utility (as defined in the Financing Order) each of whose Normalized Sales Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after Normalized Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation without any limitation in order to give effect to any merger, acquisition,

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disposition, divestiture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes. The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effective beginning on January 1 of the following calendar year.

15) Nonbypassable - CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.

16) Normalized Sales Volumes -

a) For Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.

b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar year in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21-00007061, Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

17) Participating Gas Utilities - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas, Inc. ; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).

18) Sales Customer(s) - All active customers taking service under a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

(B) APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR Charge shall be billed and collected by UniGas as a Participating Gas Utility for

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all of its Texas customers under the terms of the Financing Order. Individual Sales Customers are responsible for paying the CRR Charge billed to them in accordance with the terms of this rate schedule. Payment is to be made to the gas utility that bills the customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

(C) TERM This rate schedule shall remain in effect until the CRR Charges have ben collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonbypassable.

(D) SALES CUSTOMERS For the purposes of billing the CRR Charges, all Sales Customers of UniGas shall be assessed the uniform volumetric charge identified below.

(E) CRR CHARGE

The CRR Charge will be a monthly volumetric rate of \$1.10/Mcf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true-up adjustment procedure. The CRR Charge shall be included in the Participating Gas Utilitys Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below at 14.65 per square inch, as defined above.

(F) DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes

(A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)

(B) Assumed % of uncollectible sales

(C) Total Normalized Sales Volumes Billed and Collected: (A \* (1 - B)).

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Step 2: Determination of CRR Charge

(D) Total CRR Charge Rate Revenue Requirement for Applicable Period

(E) CRR Charge per Normalized Sales Volumes (Mcf): (D / C).

Thereof: CRR Charge for Sales Customers.

(G) CRR CHARGE TRUE-UP

Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

(H) CRR CHARGE TRUE-UP PROCEDURE

UniGas shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If UniGas is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Large Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commissions review and approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being

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understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating to the appropriate amount of any over-collection or under-collection of CRR Charges and the amount of an adjustment).

If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is necessary, (i) the Central Servicer may request and the Large Participating Gas Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. UniGas shall have the right to provide such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.

(I) TAXABILITY

The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

Bill rendered on or after 10/01/2023

**WNA**

The Weather Normalization Factor (WNF) is a factor that adjusts the Volumetric Fee for each 100 cubic feet (Ccf) of natural gas sold. The WNF is designed to refund over-collections and to surcharge for under-collections of revenue due to colder than normal or warmer than normal weather. In order to reflect weather variances in a timely and accurate manner, the WNF is calculated monthly and is based on monthly weather information for the three-month period beginning with December and ending with February. The Weather Normalization Factor shall apply only to residential customers, and for purposes of this WNF, the Company will designate residential customers into either the Conroe Area or New Braunfels/San Antonio Area, as applicable, based on meter location. Formula. The WNF is calculated, as follows: [Adjusted Heating Load plus Base Non-Heating Load] divided by Total Volumes Sold Where: Adjusted Heating Load (Ccf) = Heating Load divided by HDD Factor AvgHDD = Average heating degree-days for a calendar month as measured by the National Oceanic and Atmospheric Administration (NOAA) for the period 2009 through 2019 at their weather station in Conroe, Texas or San Antonio, Texas, as applicable. The AvgHDD values used to calculate the WNF are: For the Conroe Weather Station: December 387, January 461.65, February 295.75 For the San Antonio Weather Station: December 321.9, January 373.99, February 237.05 Base Non-Heating Load (Ccf) = Base load factor x the number of bills issued for each class where base load factors are

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as follows:Conroe Area Residential ` 12.28 Ccf New Braunfels/San Antonio Area Residential ` 12.28 Ccf Bills = Number of bills issued to customers for gas sold that month HDD = A heating degree day is a measurement of demand for energy to heat houses and businesses. The WNF is based upon actual heating degree-days for a calendar month as measured by the NOAA at their weather station located in Conroe, Texas or San Antonio, Texas, as applicable. HDD Factor (Heating Degree-Day Factor) = HDD divided by AvgHDD Heating Load (Ccf) = Total Volumes Sold minus Base Non-Heating Load Weather Normalization months = December, January, February Report. Within 45 days from the last day in each Weather Normalization month, the company shall provide to the Commission, in spreadsheet format, one WNF Compliance Report per Weather Normalization month to demonstrate how the Company calculated the WNF for residential customers in each of the Conroe Area and New Braunfels/San Antonio Area, using the following format: FORMAT FOR WNF COMPLIANCE REPORT Line 1 AvgHDD Lines 2-3 blank Line 4 HDDs (for Conroe or San Antonio weather station, as applicable) Lines 5-6 blank Line 7 Bills Line 8 blank Line 9 Base Non-Heating Load (Ccf), which is Line 7 times applicable Base Non-Heating load factor by customer class Line 10 blank Line 11 Total Volumes Sold Line 12 blank Line 13 Heating Load (Ccf), which is Line 11 minus Line 9 Lines 14-15 blank Line 16 HDD Factor, which is Line 4 divided by Line 1 Line 17 blank Line 18 Adjusted Heating Load (Ccf), which is Line 13 divided by Line 16 Line 19 blank Line 20 WNF, which is [(Line 18 plus Line 9) divided by Line 11] Line 21-22 blank Line 23 Volumetric Fee (\$ per Ccf) Line 24 blank Line 25 Adjusted Volumetric Fee (Line 23 times Line 20) Line 26-27 blank Line 28 Effect on revenue, which is [(Line 25 minus Line 23) x Line 11]. Each report shall have a column of data for each of the three Weather Normalization months, with fields populated for the latest and prior months in a winter season. COMPLIANCE REPORT The Company shall file with the Commission an annual report verifying the past year`s WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area.The Company shall file the report with the Commission electronically at GUD compliance@rrc.texas.gov or at the following address: WNA Tariff Filing Director of Oversight and Safety Division Gas Services Department Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

**COG-CRRC-Muni**

A. APPLICABILITY

This Cost of Gas Adjustment shall apply to all customer classes receiving natural gas service from Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (hereinafter called Company) within the incorporated boundaries of Texas municipalities.

B. DEFINITIONS

1. Cost of Gas - The rate per billing unit or the total calculation under this adjustment, consisting of the Commodity Cost, the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, and the revenue associated fees and taxes.



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2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio plus an adjustment for any known and quantifiable under or over collection prior to the end of the reconciliation period.

3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply reservation, storage, balancing including penalties, and swing services necessary for the movement of gas to the Company's city gate delivery points. The Cost of Purchased Gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). Renewable Natural Gas is the term used to describe pipeline-quality biomethane produced from biomass. The Cost of Purchased Gas shall not include the cost of financial instruments unless the use of such financial instruments is approved in advance and in writing by the Director of the Oversight and Safety Division of the Railroad Commission of Texas, Gas Services Dept. Such approval would be requested as part of the Company's annual gas purchase plan, which shall be submitted annually to the Commission no later than June 15.

4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.

5. Reconciliation Audit - An annual review of the Company's books and records for each 12 month period ending with the production month of June to determine the amount of over or under collection occurring during such 12 month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its general service customers during the period, including prudently incurred gains or losses on the approved use of natural gas financial instruments, (b) the revenues received from operation of the provisions of this Cost of Gas Adjustment reduced by the amount of revenue associated fees and taxes paid by the Company on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Adjustment, (d) the total amount accrued for imbalances under the transportation rate schedule(s) net of fees and applicable taxes, (e) the total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge

6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the 12 month period ending June 30 by the sum of the volumes sold to general service customers. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 1.0526 i.e. 1/(1 - 0.05) unless expressly

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authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the Cost of Gas Adjustment. Entries shall be made monthly to reflect, (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records (per Section B(3) above), including prudently incurred gains or losses on the use of approved natural gas financial instruments, (b) the revenues produced by the operation of this Cost of Gas Adjustment, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge.

8. Uncollectible Cost of Gas - the amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked along with any subsequent recovery/credits related to the cost of gas adjustment. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting reconciliation component.

9. Customer Rate Relief Charge - A nonbypassable volumetric charge incorporated into the Companys Cost of Gas as required under the Companys Customer Rate Relief Rate Schedule and the Railroad Commission of Texass Financing Order in Docket No. OS-21-00007061 issued on February 8, 2022. The Customer Rate Relief Charge is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments, and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

C. COST OF GAS

In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied,

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subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON FUNDS

Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. SURCHARGE OR REFUND PROCEDURES

In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included in the Reconciliation Account.

Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Interest on Funds, above.

G. COST OF GAS STATEMENT

The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth (a) the estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (f) the Cost of Gas calculation, including gains and losses from approved hedging activities for the month; and (g) the beginning and ending date of the billing period, and (h) the Customer Rate Relief Charge. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas.

H. ANNUAL RECONCILIATION REPORT

The Company shall file an Annual Reconciliation Report with the Regulatory

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Authority which shall include but not necessarily be limited to:

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the 12 months ending June 30.
2. A tabulation of gas units sold to general service customers and related Cost of Gas Adjustment revenues.
3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Adjustment to date.
4. A description of the hedging activities conducted each month during the twelve months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period.
5. A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances incurred, the monthly balances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.
6. A tabulation of uncollectible cost of gas during the period and its effect on the Cost of Gas Adjustment to date.
7. The amount of gas cost attributable to the Customer Rate Relief Charge.

This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

**PSFUG2023**

The Company will pass on the one-time customer charge for the Pipeline Safety Inspection Fee in the amount of \$0.96 for each service line reported to be in service at the end of calendar year 2023, pursuant to the Texas Utilities Code 121.211 and the Commission's Rules and Regulations. The Pipeline Safety Inspection Fee is based on the amount of \$1.00 per service line, as specified by the Railroad Commission of Texas.

**RCE**

**APPLICABILITY**

All jurisdictional customers in the unincorporated areas receiving natural gas service from UNIGAS (hereinafter called UNIGAS or Company).

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RCE SURCHARGE

Pursuant to the Final Order in Case No. OS-20-00004865, UNIGAS is authorized to recover a total of \$671,285.46 in rate case expenses from Case No. OS-20-00004865 jurisdictional customers identified above by surcharge at the rate of \$0.130/Mcf for a period of approximately sixty (60) months commencing for bills rendered on or after the date the Commission approves this rate schedule.

COMPLIANCE REPORT

The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00004865 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD\_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967.

**TAXES**

TAXES

If applicable, in addition to the monthly charges above, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of any governmental levies payable by the Company, exclusive of federal income taxes. The tax adjustment is calculated in accordance with the following formula: tax amount divided by volume (Mcf) billed that month equals tax adjustment, applied per Mcf. From time to time, any tax factor may be adjusted, if required, to account for any over- or under-recovery by the Company and to include an amount equivalent to the proportionate part of any new tax or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Additional Gross Receipts Taxes and/or Franchise Fees applicable within municipalities shall only be charged to customers within the incorporated areas.

**RATE ADJUSTMENT PROVISIONS**

None

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**CUSTOMERS**

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
43368	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of Houston			
43369	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of Fort Worth			
43368	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of Houston			
43369	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of Fort Worth			

**REASONS FOR FILING**

<b>NEW?:</b> N
<b>RRC DOCKET NO:</b> Update rates schedule
<b>CITY ORDINANCE NO:</b>
<b>AMENDMENT (EXPLAIN):</b>
<b>OTHER (EXPLAIN):</b>

**SERVICES**

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

**PREPARER - PERSON FILING**

<b>RRC NO:</b> 469	<b>ACTIVE FLAG:</b> Y	<b>INACTIVE DATE:</b>
<b>FIRST NAME:</b> Amy	<b>MIDDLE:</b> L	<b>LAST NAME:</b> Doyal
<b>TITLE:</b> Director Regulatory Compliance		
<b>ADDRESS LINE 1:</b> 9750 FM 1488		
<b>ADDRESS LINE 2:</b>		
<b>CITY:</b> Magnolia	<b>STATE:</b> TX	<b>ZIP:</b> 77354 <b>ZIP4:</b> 1619
<b>AREA CODE:</b> 281	<b>PHONE NO:</b> 252-6700	<b>EXTENSION:</b>

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**CURTAILMENT PLAN**

<u>PLAN ID</u>	<u>DESCRIPTION</u>
7455	<p data-bbox="285 401 493 428">Curtailment Plan</p> <p data-bbox="285 432 646 459">?7.455 Curtailment Standards</p> <p data-bbox="285 464 1422 518">(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 data-bbox="285 554 1487 665">(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 data-bbox="285 672 909 699">(2) Commission--The Railroad Commission of Texas.</p> <p data-bbox="285 703 1487 903">(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 data-bbox="285 909 1396 995">(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 data-bbox="285 1001 1383 1056">(5) Firm or firm deliveries--Natural gas deliveries that are described as firm under a contract or tariff.</p> <p data-bbox="285 1062 1487 1142">(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 data-bbox="285 1148 1461 1262">(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 data-bbox="285 1268 1461 1323">(8) Interruptible or interruptible deliveries--Natural gas deliveries that are not described as firm under a contract or tariff.</p> <p data-bbox="285 1358 1474 1650">(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 data-bbox="285 1686 477 1713">(c) Priorities.</p> <p data-bbox="285 1749 1461 1829">(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 data-bbox="285 1864 1409 1892">(A) firm deliveries to human needs customers and firm deliveries of natural gas to local</p>

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distribution systems which serve human needs customers;  
 (B) firm deliveries to electric generation facilities;  
 (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;  
 (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



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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.

**LINE EXTENSION POLICY**

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1242	Line Extension and/or Re-Route Policy: Actual Cost Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Companys expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customers side of the meter at customer request
1243	Individual Residential ` Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main and any length of gas mains in excess of the first 50 feet, or service lines, yard lines, and meter set required for the establishment of service, shall be charged to customer at Actual Cost
1244	Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Companys Actual Cost of the necessary gas line extension(s) and related facilities, including gas mains, service lines, meters and regulators
1245	Other Commercial, Industrial or other non-residential locations ` Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost

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QUALITY OF SERVICE

<u>QUAL_SERVICE ID</u>	<u>DESCRIPTION</u>
QSR_1	<p>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 shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p>(2) Customer relations.</p> <p>(A) Information to customers. Each utility shall:</p> <p>(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information 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</p>

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to advise applicants and others entitled to the information as to the facilities available for serving that locality;

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

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

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

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

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

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

(II) the customer`s right to have his or her meter checked without charge under paragraph (7) of this section, if applicable; (III) the time allowed to pay outstanding bills; (IV) grounds for termination of service; (V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service; (VII) information on alternative payment plans offered by the utility; (VIII) the steps necessary to have service reconnected after involuntary termination; (IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority; (X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and (XI) the customer`s right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

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

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

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

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guidelines:

- (i) Every deferred payment plan entered into due to the customer`s inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.
- (ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer`s ability to pay; customer`s payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.
- (iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer`s signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility`s failure or refusal to comply with the terms of this agreement.
- (iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility`s error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.
- (v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.
- (vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

- (i) Applicability. This subparagraph applies only to: (I) a utility that assesses late payment charges on residential customers and that suspends 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.

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

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

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

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

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

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

QSR\_2 RULE Section 7.45 Quality of Service; (vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

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

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

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit of the disconnect notice in the United States mail,

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postage prepaid or hand delivery of the disconnect notice 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. Emailed disconnect notices may be provided in addition to deposit of the disconnect notice in the United States mail, postage prepaid or hand delivery to the customer. 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;
- (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

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written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

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

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

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

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

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

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

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, .571.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

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

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

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum

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interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

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

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

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show: (I) the name and address of each depositor; (II) the amount and date of the deposit; and (III) each transaction concerning the deposit.

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

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

(F) Refund of deposit.

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

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

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

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

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless



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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 whether it is issued through the United States mail or electronic methods. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

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

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

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RULE Section 7.45 Quality of Service;

(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.

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(7) Meters.

(A) Meter requirements.

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

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

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

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

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

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

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

(iv) Meter tests on request of customer.

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

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

(v) Bill adjustments due to meter error.

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

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location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

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

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

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

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SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
317601	Charges		The service charges listed below are in addition to any other charges under the Company`s Tariff for Gas Service and will be applied for the condition described
317601	Charges		The service charges listed below are in addition to any other charges under the Company`s Tariff for Gas Service and will be applied for the condition described.
317602	Hours		Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays
317602	Hours		Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays
317603	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer`s subsequent bill
317603	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer`s subsequent bill.
317604	M-1		Application for Service: \$35.00. A charge shall be made for new customer account set-up, and credit inquiry, including special meter reading

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317605	M-2	Reconnection Charge During Normal Business Hours: \$45.00. During normal business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, subject to the following exceptions: (a) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (b) For any reason deemed necessary for Company operations. NOTE: The charges will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test
317606	M-3	Reconnection Charge After Business Hours: \$60.00. After standard business hours, there shall be a charge for applicable services set forth in M-2. NOTE: The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test
317607	M-4	Field Read of Meter .5 Special: \$35.00. A charge shall be made for special meter readings requested by Customer such as termination of service, meter re-read, etc
317608	M-5	Charge for Temporary Discontinuance of Service, Residential: \$35.00. Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address
317609	M-6	Charge for Temporary Discontinuance of Service, Commercial: \$60.00. Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address
317610	M-7	Charge for Meter Testing: Actual Cost. The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his

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authorized representative to be present if the customer so desires. The customer must be properly informed of the result of any test on that customer's meter. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee if the meter is not more than 2% out of calibration.

317611 M-8

Change Regulator Pressure and Additional Regulators: \$50.00/Actual Cost. A \$50.00 charge shall be made to change the pressure of the regulator upstream of Customer's meter due to an increase in pressure required by Customer. Additional regulators required to reduce pressure downstream of Customer's meter, as may be required by customer's specific requirements, shall be charged at Actual Cost.

317612 M-9

Change Meter Location: Actual Cost. A charge shall be made when Company personnel cannot gain unlimited access to its meter at all times due to actions taken by customer

317613 M-10

Collection Call or Missed Appointment: \$35.00.  
Collection Call, trip charge or Missed Appointment (Per Trip)

317614 M-11

Returned Check Charges, Returned ACH, Declined Credit Card: \$35.00. A charge shall be made for returned check handling charges for each check returned unpaid, ACH returned unpaid or declined, or declined credit card for any reason

317615 M-12

New Construction Service Deposits .5 Residential: \$75. A Deposit may be required based on credit inquiry results and/or after disconnection for non-payment, subject to Railroad Commission of Texas rules. If a Deposit is required, then service may not be initiated or restored until the Deposit and other applicable fees have been paid

317616 M-13

Residential Customer Deposit: AFTER a history has been established. Customer Service Deposits shall not exceed one-sixth of the customer's annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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

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317617	M-14	<p>estimated billings, a new deposit requirement may be calculated and an additional deposit may be required to be paid within five 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. 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 and no cash deposit shall be required of such applicant under these conditions.</p>
317618	M-15	<p>New Construction Small Commercial Deposit: \$250 (Small Commercial customer class only). For purposes of these Miscellaneous Service Charges, Small Commercial customers are defined as commercial customers consuming less than 150 MCF per monthly billing period. A Deposit shall be required for all Small Commercial customers. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.</p>
317619	M-16	<p>Small Commercial Customer Deposit: AFTER a history has been established. Customer Service Deposits shall not exceed one-sixth of the Small Commercial customer's annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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.</p>
		<p>Large Commercial Customer Deposit: Variable (Large Commercial customer class only). For purposes of these Miscellaneous Service Charges, a Large Commercial Customer is defined as any commercial customer consuming more than 150 MCF of gas in any monthly billing period. The initial Deposit shall be based on Company's estimate of the Customer's highest gas consumption month (based on type and size of business) and shall be equal to 2 times the net bill for such month. After 12 months' billing history has been accumulated, an additional or reduced Deposit equal to 2 times the net bill for the highest consumption month</p>

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in the most recent 12 month period shall be required from the Customer. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.

317620 M-17

Tampering Charge: \$175.00. A Tampering Charge shall be made for unauthorized connection, reconnection, restoration of gas service or other tampering with Company metering lines and/or facilities or a theft of gas service by a person on the customer's premises, including but not limited to altering the meter index reading and removing a Company lock (the Tampering Offense Rule). Service may not be restored until all charges related to violation of the Tampering Offense Rule, including stolen gas, have been paid in full. A. The following additional charges shall be made by Company for violation of the Tampering Offense Rule:  
 1. First offense: Company shall collect an additional service deposit equal to twice the Customer's highest gas bill for the previous 12 months, or lesser period if the Customer has less than 12 months' history.  
 2. Second offense: If within 12 months following a first offense, Customer is found to have committed a second offense, then Company shall terminate gas service at Customer's service address.

317621 M-18

Repair Damaged Meters & Regulators: Actual Cost. A. The following charges shall be paid by customer when the damage to a residential meter and related equipment is proximately caused by customer and requires replacement, repair and/or re-installation of the damaged item: 1. Damage to Cover and/or non-electronic Index: Actual Cost, plus 2. Damage to automated meter reading instruments: Actual Cost, plus 3. Additional damage to meter set (including, but not limited to: riser, regulator, fittings, locks, and meter): Actual Cost. B. Damages to commercial meters, regulators, indexes, automated meter reading equipment and related facilities and equipment when the damage is caused by customer or customer's employee's agents or contractors shall be at Actual Cost.

317622 M-19

Tap and Meter Setting Fee - Residential Customers: \$325.00 and Actual Cost. The Tap Fee to provide an initial tap into the Company's distribution system for the establishment of service at a Residential location includes up to 15 feet of 3/4 service line under dry conditions and excludes bores, rocky ground, trees, other utilities, and other obstacles. Customer shall be charged an additional sum for the Actual Cost of making its tap and installing up to 15 feet of 3/4 service line in the event that bores, rocky ground,



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317623	M-20	<p>trees, other utilities, and other obstacles are encountered. The charge also includes installation and setting of a standard residential meter (250 cfh @ 4 ounces or 2 PSIG outlet pressure at customer`s election) together with regulator, riser, fittings, and pressure test of customer piping. Installation of required service line beyond the first 15 feet shall be at Actual Cost. All other capacity and delivery pressure requirements are at Actual Cost to be approved and paid by the Customer in advance of work, unless otherwise subject to a separate agreement.</p>
317624	M-21	<p>Tap and Meter Setting Fee - Small and Large Commercial Customers: \$400.00 and Actual Cost. Fee to provide initial tap into the Company`s distribution system for the establishment of service at a Commercial or other non-residential location. Customer shall be charged an additional sum for the Actual Cost of the service line, meter cost and setting the meter and required pressure regulation equipment, valves, fittings and materials. Customer shall approve and pay such Actual Costs in advance of work.</p>
		<p>Line Extension and/or Re-Route Policy: Actual Cost. Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Company`s expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customer`s side of the meter at customer request. Such gas line extensions shall be made only under the following conditions: (A) Individual Residential .5 Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main as well as any length of gas mains in excess of the first 50 feet, or service lines and meter set required for the establishment of service shall be charged to customer at Actual Cost. (B) Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon</p>

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		<p>execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Company`s Actual Cost of the necessary gas line extension and related facilities, including gas mains, service lines, meters and regulators. (C) Other Commercial or other non-residential locations .5 Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost.</p>
317625	M-22	<p>Law Enforcement Escort Fee or Animal Control Fee: \$200.00 or Actual Cost. The greater of \$200.00 or Actual Cost shall be charged if the Company determines that any visit to a customer`s premises requires Company personnel to be accompanied by a law enforcement official or animal control official</p>
317626	M-23	<p>History Research Fee: \$20.00 Per Request. A fee shall be charged for services related to account history research and Customer accounting/billing history documentation for each calendar year or partial year.</p>
317627	M-24	<p>Upgrading a Meter: Actual Cost. Customer shall pay the Actual Cost to upgrade a meter upon request of customer or a change in customer usage requirements.</p>
317628	M-25	<p>Stand-By Generator Recovery of Connection Cost: Actual Cost. A charge shall be made so that the company can be reimbursed for the Actual Cost of installing and acquiring the regulator, service line, and meter required to provide natural gas to a stand-by gas generator.</p>
317629	M-26	<p>Excess Flow Valve: \$15.00. A charge shall be made for the installation of an excess flow valve. The excess flow valve will be installed on the service line on the upstream side of the customer`s meter.</p>
317630	M-27	<p>Light Customer`s Appliance Pilot Lights at Customer`s Request: \$40.00. If requested by Customer, a charge shall be made for Company to light pilot lights in one or more of Customer`s appliances (excluding re-lighting due to gas outage caused by Company).</p>

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DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 06/25/2024 ORIGINAL CONTRACT DATE: RECEIVED DATE: 07/11/2024  
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO: 878395  
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID	DESCRIPTION
WNA	<p>The Weather Normalization Factor (WNF) is a factor that adjusts the Volumetric Fee for each 100 cubic feet (Ccf) of natural gas sold. The WNF is designed to refund over-collections and to surcharge for under-collections of revenue due to colder than normal or warmer than normal weather. In order to reflect weather variances in a timely and accurate manner, the WNF is calculated monthly and is based on monthly weather information for the three-month period beginning with December and ending with February. The Weather Normalization Factor shall apply only to residential customers, and for purposes of this WNF, the Company will designate residential customers into either the Conroe Area or New Braunfels/San Antonio Area, as applicable, based on meter location. Formula. The WNF is calculated, as follows: [Adjusted Heating Load plus Base Non-Heating Load] divided by Total Volumes Sold Where: Adjusted Heating Load (Ccf) = Heating Load divided by HDD Factor AvgHDD = Average heating degree-days for a calendar month as measured by the National Oceanic and Atmospheric Administration (NOAA) for the period 2009 through 2019 at their weather station in Conroe, Texas or San Antonio, Texas, as applicable. The AvgHDD values used to calculate the WNF are: For the Conroe Weather Station: December 387, January 461.65, February 295.75 For the San Antonio Weather Station: December 321.9, January 373.99, February 237.05 Base Non-Heating Load (Ccf) = Base load factor x the number of bills issued for each class where base load factors are as follows:Conroe Area Residential ` 12.28 Ccf New Braunfels/San Antonio Area Residential ` 12.28 Ccf Bills = Number of bills issued to customers for gas sold that month HDD = A heating degree day is a measurement of demand for energy to heat houses and businesses. The WNF is based upon actual heating degree-days for a calendar month as measured by the NOAA at their weather station located in Conroe, Texas or San Antonio, Texas, as applicable. HDD Factor (Heating Degree-Day Factor) = HDD divided by AvgHDD Heating Load (Ccf) = Total Volumes Sold minus Base Non-Heating Load Weather Normalization months = December, January, February Report. Within 45 days from the last day in each Weather Normalization month, the company shall provide to the Commission, in spreadsheet format, one WNF Compliance Report per Weather Normalization month to demonstrate how the Company calculated the WNF for residential customers in each of the Conroe Area and New Braunfels/San Antonio Area, using the following format: FORMAT FOR WNF COMPLIANCE REPORT Line 1 AvgHDD Lines 2-3 blank Line 4 HDDs (for Conroe or San Antonio weather station, as applicable) Lines 5-6 blank Line 7 Bills Line 8 blank Line 9 Base Non-Heating Load (Ccf), which is Line 7 times applicable Base Non-Heating load factor by customer class Line 10 blank Line 11 Total Volumes Sold Line 12 blank Line 13 Heating Load (Ccf), which is Line 11 minus Line 9 Lines 14-15 blank Line 16 HDD Factor, which is Line 4 divided by Line 1 Line 17 blank Line 18 Adjusted Heating Load (Ccf), which is Line 13 divided by Line 16 Line 19 blank Line 20 WNF, which is [(Line 18 plus Line 9) divided by Line 11] Line 21-22 blank Line 23 Volumetric Fee (\$ per Ccf) Line 24 blank Line 25 Adjusted Volumetric Fee (Line 23 times Line 20) Line 26-27 blank Line 28 Effect on revenue, which is [(Line 25 minus Line 23) x Line 11].</p>

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Each report shall have a column of data for each of the three Weather Normalization months, with fields populated for the latest and prior months in a winter season. COMPLIANCE REPORT The Company shall file with the Commission an annual report verifying the past year`s WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area. The Company shall file the report with the Commission electronically at GUD compliance@rrc.texas.gov or at the following address: WNA Tariff Filing Director of Oversight and Safety Division Gas Services Department Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967

COG-CRRC-Muni

A. APPLICABILITY

This Cost of Gas Adjustment shall apply to all customer classes receiving natural gas service from Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (hereinafter called Company) within the incorporated boundaries of Texas municipalities.

B. DEFINITIONS

1. Cost of Gas - The rate per billing unit or the total calculation under this adjustment, consisting of the Commodity Cost, the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, and the revenue associated fees and taxes.

2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio plus an adjustment for any known and quantifiable under or over collection prior to the end of the reconciliation period.

3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply reservation, storage, balancing including penalties, and swing services necessary for the movement of gas to the Company`s city gate delivery points. The Cost of Purchased Gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). Renewable Natural Gas is the term used to describe pipeline-quality biomethane produced from biomass. The Cost of Purchased Gas shall not include the cost of financial instruments unless the use of such financial instruments is approved in advance and in writing by the Director of the Oversight and Safety Division of the Railroad Commission of Texas, Gas Services Dept. Such approval would be requested as part of the Company`s annual gas purchase plan, which shall be submitted annually to the Commission no later than June 15.

4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation

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Audit.

5. Reconciliation Audit - An annual review of the Company`s books and records for each 12 month period ending with the production month of June to determine the amount of over or under collection occurring during such 12 month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its general service customers during the period, including prudently incurred gains or losses on the approved use of natural gas financial instruments, (b) the revenues received from operation of the provisions of this Cost of Gas Adjustment reduced by the amount of revenue associated fees and taxes paid by the Company on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Adjustment, (d) the total amount accrued for imbalances under the transportation rate schedule(s) net of fees and applicable taxes, (e) the total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge

6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the 12 month period ending June 30 by the sum of the volumes sold to general service customers. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 1.0526 i.e.  $1/(1 - 0.05)$  unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the Cost of Gas Adjustment. Entries shall be made monthly to reflect, (a) the total amounts paid to the Company`s supplier(s) for gas applicable to general service customers as recorded on the Company`s books and records (per Section B(3) above), including prudently incurred gains or losses on the use of approved natural gas financial instruments, (b) the revenues produced by the operation of this Cost of Gas Adjustment, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge.

8. Uncollectible Cost of Gas ` the amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked along with any subsequent recovery/credits related to the cost of gas adjustment. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting reconciliation component.

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9. Customer Rate Relief Charge - A nonbypassable volumetric charge incorporated into the Companys Cost of Gas as required under the Companys Customer Rate Relief Rate Schedule and the Railroad Commission of Texass Financing Order in Docket No. OS-21-00007061 issued on February 8, 2022. The Customer Rate Relief Charge is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments, and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

C. COST OF GAS

In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied, subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON FUNDS

Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. SURCHARGE OR REFUND PROCEDURES

In the event that the rates and charges of the Company`s supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will

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be included in the Reconciliation Account.

Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Interest on Funds, above.

G. COST OF GAS STATEMENT

The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth (a) the estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (f) the Cost of Gas calculation, including gains and losses from approved hedging activities for the month; and (g) the beginning and ending date of the billing period, and (h) the Customer Rate Relief Charge. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas.

H. ANNUAL RECONCILIATION REPORT

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

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the 12 months ending June 30.
2. A tabulation of gas units sold to general service customers and related Cost of Gas Adjustment revenues.
3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Adjustment to date.
4. A description of the hedging activities conducted each month during the twelve months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period.
5. A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances incurred, the monthly balances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation

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period.

6. A tabulation of uncollectible cost of gas during the period and its effect on the Cost of Gas Adjustment to date.

7. The amount of gas cost attributable to the Customer Rate Relief Charge.

This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

**PSFUG2023**

The Company will pass on the one-time customer charge for the Pipeline Safety Inspection Fee in the amount of \$0.96 for each service line reported to be in service at the end of calendar year 2023, pursuant to the Texas Utilities Code 121.211 and the Commission's Rules and Regulations. The Pipeline Safety Inspection Fee is based on the amount of \$1.00 per service line, as specified by the Railroad Commission of Texas.

**RCE**

APPLICABILITY

All jurisdictional customers in the unincorporated areas receiving natural gas service from UNIGAS (hereinafter called UNIGAS or Company).

RCE SURCHARGE

Pursuant to the Final Order in Case No. OS-20-00004865, UNIGAS is authorized to recover a total of \$671,285.46 in rate case expenses from Case No. OS-20-00004865 jurisdictional customers identified above by surcharge at the rate of \$0.130/Mcf for a period of approximately sixty (60) months commencing for bills rendered on or after the date the Commission approves this rate schedule.

COMPLIANCE REPORT

The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00004865 Rate Case Expense Recovery Report. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD\_Compliance@rrc.texas.gov or at the following address: Compliance Filing Director of Oversight and Safety Division Gas Services Dept. Railroad Commission of Texas P.O. Box 12967 Austin, TX 78711-2967.

**TAXES**

TAXES

If applicable, in addition to the monthly charges above, each customer`s bill will



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include a charge for an amount equivalent to the customer`s proportional part of any governmental levies payable by the Company, exclusive of federal income taxes. The tax adjustment is calculated in accordance with the following formula: tax amount divided by volume (Mcf) billed that month equals tax adjustment, applied per Mcf. From time to time, any tax factor may be adjusted, if required, to account for any over- or under-recovery by the Company and to include an amount equivalent to the proportionate part of any new tax or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Additional Gross Receipts Taxes and/or Franchise Fees applicable within municipalities shall only be charged to customers within the incorporated areas.

RES-MUNI23

AVAILABILITY

This schedule is available to residential consumers within the municipal boundaries of the Cities of Fort Worth and Houston, Texas receiving natural gas service from UNIGAS (hereinafter called Company).

APPLICATION OF SCHEDULE

The Company will provide distribution service for the delivery of gas supply through the Company`s facilities to eligible residential customers residing in single family or multi-unit residential dwellings in which each unit requires a separate connection and meter. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery and shall not be resold or shared with others. If the Consumer has a written contract with Company, the terms and provision of such contract shall be controlling.

BASE MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly billing period rate for each customer receiving service under this rate schedule shall be the sum of the following:

Monthly Customer Charge: \$35.75, which is comprised of the  
 Base Charge: \$18.00 and the  
 Interim Rate Adjustments (IRA) of \$17.75.  
 All Gas Consumed at: \$3.14 per MCF.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule COG.

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

Pipeline Safety Inspection Fee: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety Inspection Fee, Rate Schedule PSFUG.

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Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

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

Miscellaneous Service Charges: The billing shall reflect adjustments in accordance with provisions of the Miscellaneous Service Charges, Rate Schedule M.

**CRR2**

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC. (UNIGAS)  
 CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to all Sales Customers for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (the Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Docket No. OS-21-00007061.

ABBREVIATIONS AND DEFINITIONS

1) Authority - The Texas Public Finance Authority, together with any successor to its duties and functions.

2) Bonds or Customer Rate Relief (CRR) Bonds - The Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023 and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.

3) Ccf and Mcf - For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.

4) Central Servicer - The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of it under the Servicing Agreement (as defined in the Financing Order).

5) Commission - The Railroad Commission of Texas, including its staff or delegate.

6) CRR Charge True-Up Adjustment - A True-Up Adjustment (as defined in the Financing Order).

7) CRR Charge True-Up Charge Adjustment Letter - A true-up adjustment letter substantially in the form of Exhibit 3 to the Financing Order.

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8) CRR Scheduled Adjustment Date ` January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date the Bonds so as to reflect the terms of the Servicing Agreement.

9) Customer Rate Relief (CRR) Charge - A nonbypassable charge as defined in Tex. Util. Code 104.362(7).

10) Financing Order - The order adopted under Tex. Util. Code 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

11) Gas Utility - UniGas and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commissions jurisdiction under Tex. Util. Code 102.001, or an operator that transmits, transports, delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.

12) Irrevocable - The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code 104.362(8) and the CRR Charge authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.

13) Issuer Entity - Texas Natural Gas Securitization Finance Corporation, a Texas nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Govt Code 1232.1072.

14) Large Participating Gas Utility - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and any Participating Gas Utility or Successor Utility (as defined in the Financing Order) each of whose Normalized Sales Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after Normalized Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation without any limitation in order to give effect to any merger, acquisition, disposition, divestiture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes.

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The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effective beginning on January 1 of the following calendar year.

15) Nonbypassable - CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.

16) Normalized Sales Volumes -

a) For Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.

b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar year in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21-00007061, Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

17) Participating Gas Utilities - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas, Inc. ; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).

18) Sales Customer(s) - All active customers taking service under a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

(B) APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR Charge shall be billed and collected by UniGas as a Participating Gas Utility for all of its Texas customers under the terms of the Financing Order. Individual Sales Customers are responsible for paying the CRR Charge billed to them in

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accordance with the terms of this rate schedule. Payment is to be made to the gas utility that bills the customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

(C) TERM This rate schedule shall remain in effect until the CRR Charges have been collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonbypassable.

(D) SALES CUSTOMERS For the purposes of billing the CRR Charges, all Sales Customers of UniGas shall be assessed the uniform volumetric charge identified below.

(E) CRR CHARGE

The CRR Charge will be a monthly volumetric rate of \$1.10/Mcf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true-up adjustment procedure. The CRR Charge shall be included in the Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below at 14.65 per square inch, as defined above.

(F) DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes

(A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)

(B) Assumed % of uncollectible sales

(C) Total Normalized Sales Volumes Billed and Collected:  $(A * (1 - B))$ .

Step 2: Determination of CRR Charge

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(D) Total CRR Charge Rate Revenue Requirement for Applicable Period

(E) CRR Charge per Normalized Sales Volumes (Mcf): (D / C).

Thereof: CRR Charge for Sales Customers.

(G) CRR CHARGE TRUE-UP

Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

(H) CRR CHARGE TRUE-UP PROCEDURE

UniGas shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If UniGas is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Large Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commissions review and approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating

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	<p>to the appropriate amount of any over-collection or under-collection of CRR Charges and the amount of an adjustment).</p> <p>If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is necessary, (i) the Central Servicer may request and the Large Participating Gas Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. UniGas shall have the right to provide such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.</p> <p>(I) TAXABILITY The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.</p> <p>Bill rendered on or after 10/01/2023</p>

**RATE ADJUSTMENT PROVISIONS**

None

**CUSTOMERS**

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
43368	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of Houston			
43369	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of Fort Worth			
43368	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of Houston			
43369	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of Fort Worth			

**REASONS FOR FILING**

NEW?: N

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RRC DOCKET NO: Update rates schedule

CITY ORDINANCE NO:

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN):

SERVICES

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

PREPARER - PERSON FILING

RRC NO: 469 ACTIVE FLAG: Y INACTIVE DATE:

FIRST NAME: Amy MIDDLE: L LAST NAME: Doyal

TITLE: Director Regulatory Compliance

ADDRESS LINE 1: 9750 FM 1488

ADDRESS LINE 2:

CITY: Magnolia STATE: TX ZIP: 77354 ZIP4: 1619

AREA CODE: 281 PHONE NO: 252-6700 EXTENSION:



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## CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
7455	<p>Curtailment Plan</p> <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</p>

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distribution systems which serve human needs customers;

(B) firm deliveries to electric generation facilities;

(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;

(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

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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.

LINE EXTENSION POLICY

POLICY ID	DESCRIPTION
1242	Line Extension and/or Re-Route Policy: Actual Cost Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Companys expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customers side of the meter at customer request
1243	Individual Residential ` Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main and any length of gas mains in excess of the first 50 feet, or service lines, yard lines, and meter set required for the establishment of service, shall be charged to customer at Actual Cost
1245	Other Commercial, Industrial or other non-residential locations ` Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost
1244	Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Companys Actual Cost of the necessary gas line extension(s) and related facilities, including gas mains, service lines, meters and regulators

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QUALITY OF SERVICE

<u>QUAL_SERVICE ID</u>	<u>DESCRIPTION</u>
QSR_1	<p>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 shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p>(2) Customer relations.</p> <p>(A) Information to customers. Each utility shall:</p> <p>(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information 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</p>

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to advise applicants and others entitled to the information as to the facilities available for serving that locality;

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

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

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

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

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

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

(II) the customer`s right to have his or her meter checked without charge under paragraph (7) of this section, if applicable; (III) the time allowed to pay outstanding bills; (IV) grounds for termination of service; (V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service; (VII) information on alternative payment plans offered by the utility; (VIII) the steps necessary to have service reconnected after involuntary termination; (IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority; (X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and (XI) the customer`s right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

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

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

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

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guidelines:

- (i) Every deferred payment plan entered into due to the customer`s inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.
- (ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer`s ability to pay; customer`s payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.
- (iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer`s signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility`s failure or refusal to comply with the terms of this agreement.
- (iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility`s error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.
- (v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.
- (vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

- (i) Applicability. This subparagraph applies only to: (I) a utility that assesses late payment charges on residential customers and that suspends 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.

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

- (i) Applicant`s facilities inadequate. If the applicant`s installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.
- (ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.
- (iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

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

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

QSR\_2 RULE Section 7.45 Quality of Service; (vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

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

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

(C) A customer`s utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit of the disconnect notice in the United States mail,

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postage prepaid or hand delivery of the disconnect notice 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. Emailed disconnect notices may be provided in addition to deposit of the disconnect notice in the United States mail, postage prepaid or hand delivery to the customer. 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;
- (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



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written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

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

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

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

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

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

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

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, .571.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

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

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

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum

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interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

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

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

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show: (I) the name and address of each depositor; (II) the amount and date of the deposit; and (III) each transaction concerning the deposit.

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

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

(F) Refund of deposit.

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

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

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

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

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless

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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 whether it is issued through the United States mail or electronic methods. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

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

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

QSR\_3 RULE Section 7.45 Quality of Service;

(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.

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(7) Meters.

(A) Meter requirements.

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

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

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

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

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

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

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

(iv) Meter tests on request of customer.

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

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

(v) Bill adjustments due to meter error.

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

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location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

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

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

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

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SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
317572	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer`s subsequent bill
317572	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer`s subsequent bill.
317573	M-1		Application for Service: \$35.00. A charge shall be made for new customer account set-up, and credit inquiry, including special meter reading
317574	M-2		Reconnection Charge During Normal Business Hours: \$45.00. During normal business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, subject to the following exceptions: (a) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (b) For any reason deemed necessary for Company operations. NOTE: The charges will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder.5s or customer.5s premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test

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317570	Charges	The service charges listed below are in addition to any other charges under the Company`s Tariff for Gas Service and will be applied for the condition described
317570	Charges	The service charges listed below are in addition to any other charges under the Company`s Tariff for Gas Service and will be applied for the condition described.
317571	Hours	Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays
317571	Hours	Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays
317575	M-3	Reconnection Charge After Business Hours: \$60.00. After standard business hours, there shall be a charge for applicable services set forth in M-2. NOTE: The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test
317576	M-4	Field Read of Meter .5 Special: \$35.00. A charge shall be made for special meter readings requested by Customer such as termination of service, meter re-read, etc
317577	M-5	Charge for Temporary Discontinuance of Service, Residential: \$35.00. Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address
317578	M-6	Charge for Temporary Discontinuance of Service, Commercial: \$60.00. Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address
317579	M-7	Charge for Meter Testing: Actual Cost. The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his

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317580	M-8	<p>authorized representative to be present if the customer so desires. The customer must be properly informed of the result of any test on that customer`s meter. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee if the meter is not more than 2% out of calibration.</p>
317580	M-8	<p>Change Regulator Pressure and Additional Regulators: \$50.00/Actual Cost. A \$50.00 charge shall be made to change the pressure of the regulator upstream of Customer`s meter due to an increase in pressure required by Customer. Additional regulators required to reduce pressure downstream of Customer`s meter, as may be required by customer`s specific requirements, shall be charged at Actual Cost.</p>
317581	M-9	<p>Change Meter Location: Actual Cost. A charge shall be made when Company personnel cannot gain unlimited access to its meter at all times due to actions taken by customer</p>
317582	M-10	<p>Collection Call or Missed Appointment: \$35.00. Collection Call, trip charge or Missed Appointment (Per Trip)</p>
317583	M-11	<p>Returned Check Charges, Returned ACH, Declined Credit Card: \$35.00. A charge shall be made for returned check handling charges for each check returned unpaid, ACH returned unpaid or declined, or declined credit card for any reason</p>
317584	M-12	<p>New Construction Service Deposits .5 Residential: \$75. A Deposit may be required based on credit inquiry results and/or after disconnection for non-payment, subject to Railroad Commission of Texas rules. If a Deposit is required, then service may not be initiated or restored until the Deposit and other applicable fees have been paid</p>
317585	M-13	<p>Residential Customer Deposit: AFTER a history has been established. Customer Service Deposits shall not exceed one-sixth of the customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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</p>



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317586	M-14	<p>estimated billings, a new deposit requirement may be calculated and an additional deposit may be required to be paid within five 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. 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 and no cash deposit shall be required of such applicant under these conditions.</p>
317587	M-15	<p>New Construction Small Commercial Deposit: \$250 (Small Commercial customer class only). For purposes of these Miscellaneous Service Charges, Small Commercial customers are defined as commercial customers consuming less than 150 MCF per monthly billing period. A Deposit shall be required for all Small Commercial customers. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.</p> <p>Small Commercial Customer Deposit: AFTER a history has been established. Customer Service Deposits shall not exceed one-sixth of the Small Commercial customer's annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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.</p>
317588	M-16	<p>Large Commercial Customer Deposit: Variable (Large Commercial customer class only). For purposes of these Miscellaneous Service Charges, a Large Commercial Customer is defined as any commercial customer consuming more than 150 MCF of gas in any monthly billing period. The initial Deposit shall be based on Company's estimate of the Customer's highest gas consumption month (based on type and size of business) and shall be equal to 2 times the net bill for such month. After 12 months' billing history has been accumulated, an additional or reduced Deposit equal to 2 times the net bill for the highest consumption month</p>

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in the most recent 12 month period shall be required from the Customer. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.

317589 M-17

Tampering Charge: \$175.00. A Tampering Charge shall be made for unauthorized connection, reconnection, restoration of gas service or other tampering with Company metering lines and/or facilities or a theft of gas service by a person on the customer's premises, including but not limited to altering the meter index reading and removing a Company lock (the Tampering Offense Rule). Service may not be restored until all charges related to violation of the Tampering Offense Rule, including stolen gas, have been paid in full. A. The following additional charges shall be made by Company for violation of the Tampering Offense Rule:  
 1. First offense: Company shall collect an additional service deposit equal to twice the Customer's highest gas bill for the previous 12 months, or lesser period if the Customer has less than 12 months' history.  
 2. Second offense: If within 12 months following a first offense, Customer is found to have committed a second offense, then Company shall terminate gas service at Customer's service address.

317590 M-18

Repair Damaged Meters & Regulators: Actual Cost. A. The following charges shall be paid by customer when the damage to a residential meter and related equipment is proximately caused by customer and requires replacement, repair and/or re-installation of the damaged item: 1. Damage to Cover and/or non-electronic Index: Actual Cost, plus 2. Damage to automated meter reading instruments: Actual Cost, plus 3. Additional damage to meter set (including, but not limited to: riser, regulator, fittings, locks, and meter): Actual Cost. B. Damages to commercial meters, regulators, indexes, automated meter reading equipment and related facilities and equipment when the damage is caused by customer or customer's employee's agents or contractors shall be at Actual Cost.

317591 M-19

Tap and Meter Setting Fee - Residential Customers: \$325.00 and Actual Cost. The Tap Fee to provide an initial tap into the Company's distribution system for the establishment of service at a Residential location includes up to 15 feet of 3/4 service line under dry conditions and excludes bores, rocky ground, trees, other utilities, and other obstacles. Customer shall be charged an additional sum for the Actual Cost of making its tap and installing up to 15 feet of 3/4 service line in the event that bores, rocky ground,

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317592	M-20	<p>trees, other utilities, and other obstacles are encountered. The charge also includes installation and setting of a standard residential meter (250 cfh @ 4 ounces or 2 PSIG outlet pressure at customer`s election) together with regulator, riser, fittings, and pressure test of customer piping. Installation of required service line beyond the first 15 feet shall be at Actual Cost. All other capacity and delivery pressure requirements are at Actual Cost to be approved and paid by the Customer in advance of work, unless otherwise subject to a separate agreement.</p>
317593	M-21	<p>Tap and Meter Setting Fee - Small and Large Commercial Customers: \$400.00 and Actual Cost. Fee to provide initial tap into the Company`s distribution system for the establishment of service at a Commercial or other non-residential location. Customer shall be charged an additional sum for the Actual Cost of the service line, meter cost and setting the meter and required pressure regulation equipment, valves, fittings and materials. Customer shall approve and pay such Actual Costs in advance of work.</p>
		<p>Line Extension and/or Re-Route Policy: Actual Cost. Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Company`s expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customer`s side of the meter at customer request. Such gas line extensions shall be made only under the following conditions: (A) Individual Residential .5 Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main as well as any length of gas mains in excess of the first 50 feet, or service lines and meter set required for the establishment of service shall be charged to customer at Actual Cost. (B) Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon</p>

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		<p>execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Company`s Actual Cost of the necessary gas line extension and related facilities, including gas mains, service lines, meters and regulators. (C) Other Commercial or other non-residential locations .5 Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost.</p>
317594	M-22	<p>Law Enforcement Escort Fee or Animal Control Fee: \$200.00 or Actual Cost. The greater of \$200.00 or Actual Cost shall be charged if the Company determines that any visit to a customer`s premises requires Company personnel to be accompanied by a law enforcement official or animal control official</p>
317595	M-23	<p>History Research Fee: \$20.00 Per Request. A fee shall be charged for services related to account history research and Customer accounting/billing history documentation for each calendar year or partial year.</p>
317596	M-24	<p>Upgrading a Meter: Actual Cost. Customer shall pay the Actual Cost to upgrade a meter upon request of customer or a change in customer usage requirements.</p>
317597	M-25	<p>Stand-By Generator Recovery of Connection Cost: Actual Cost. A charge shall be made so that the company can be reimbursed for the Actual Cost of installing and acquiring the regulator, service line, and meter required to provide natural gas to a stand-by gas generator.</p>
317598	M-26	<p>Excess Flow Valve: \$15.00. A charge shall be made for the installation of an excess flow valve. The excess flow valve will be installed on the service line on the upstream side of the customer`s meter.</p>
317599	M-27	<p>Light Customer`s Appliance Pilot Lights at Customer`s Request: \$40.00. If requested by Customer, a charge shall be made for Company to light pilot lights in one or more of Customer`s appliances (excluding re-lighting due to gas outage caused by Company).</p>

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DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 09/25/2023 ORIGINAL CONTRACT DATE: RECEIVED DATE: 10/19/2023  
 GAS CONSUMED: Y AMENDMENT DATE: OPERATOR NO: 878395  
 BILLS RENDERED: N INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID                      DESCRIPTION  
 COMM-MUNI-LC

AVAILABILITY

This schedule is available to commercial and other non-residential (hereinafter called Commercial) customers within the municipal boundaries of the City of Leage City, Texas receiving natural gas service from UNIGAS (hereinafter called Company).

APPLICATION OF SCHEDULE

The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible Commercial customers in which each unit requires a separate connection and meter. 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. If the Customer has a written contract with Company, the terms and provisions of such contract shall be controlling.

BASE MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly billing period rate for each customer receiving service under this rate schedule shall be the sum of the following:

UNIGAS ? COMMERCIAL

TARIFF MATRIX		
COMMERCIAL	BASE MONTHLY RATE	MONTHLY CONSUMPTION
CUSTOMER		CRITERIA
DESCRIPTION	Monthly Customer	Equal to or                      Less Than or
		Commodity Charge                      Greater Than:                      Equal

to:

Small Commercial	0.0 Mcf/Mth.	150.0 Mcf/Mth.
\$27.93/Mth.	\$0.5654/Mcf	
Large Commercial	150.1 Mcf/Mth.	N/A
\$470.37/Mth	\$0.8034/Mcf	

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule COG.

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Pipeline Safety Inspection Fee: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety Inspection Fee, Rate Schedule PSFUG.

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

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

Miscellaneous Service Charges: The billing shall reflect adjustments in accordance with provisions of the Miscellaneous Service Charges, Rate Schedule M.

CRR2

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC. (UNIGAS)  
CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to all Sales Customers for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (the Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Docket No. OS-21-00007061.

ABBREVIATIONS AND DEFINITIONS

- 1) Authority - The Texas Public Finance Authority, together with any successor to its duties and functions.
- 2) Bonds or Customer Rate Relief (CRR) Bonds - The Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023 and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.
- 3) Ccf and Mcf - For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.
- 4) Central Servicer - The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of it under the Servicing Agreement (as defined in the Financing Order).
- 5) Commission - The Railroad Commission of Texas, including its staff or delegate.
- 6) CRR Charge True-Up Adjustment - A True-Up Adjustment (as defined in the Financing Order).

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7)CRR Charge True-Up Charge Adjustment Letter - A true-up adjustment letter substantially in the form of Exhibit 3 to the Financing Order.

8) CRR Scheduled Adjustment Date ` January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date the Bonds so as to reflect the terms of the Servicing Agreement.

9) Customer Rate Relief (CRR) Charge - A nonbypassable charge as defined in Tex. Util. Code 104.362(7).

10) Financing Order - The order adopted under Tex. Util. Code 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

11) Gas Utility - UniGas and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commissions jurisdiction under Tex. Util. Code 102.001, or an operator that transmits, transports, delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.

12) Irrevocable - The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code 104.362(8) and the CRR Charge authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.

13) Issuer Entity - Texas Natural Gas Securitization Finance Corporation, a Texas nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Govt Code 1232.1072.

14) Large Participating Gas Utility - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and any Participating Gas Utility or Successor Utility (as defined in the Financing Order) each of whose Normalized Sales Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after Normalized Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation

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without any limitation in order to give effect to any merger, acquisition, disposition, divestiture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes. The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effective beginning on January 1 of the following calendar year.

15) Nonbypassable - CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.

16) Normalized Sales Volumes -

a) For Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.

b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar year in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21-00007061, Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

17) Participating Gas Utilities - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas, Inc. ; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).

18) Sales Customer(s) - All active customers taking service under a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

(B) APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR



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Charge shall be billed and collected by UniGas as a Participating Gas Utility for all of its Texas customers under the terms of the Financing Order. Individual Sales Customers are responsible for paying the CRR Charge billed to them in accordance with the terms of this rate schedule. Payment is to be made to the gas utility that bills the customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

(C) TERM This rate schedule shall remain in effect until the CRR Charges have ben collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonbypassable.

(D) SALES CUSTOMERS For the purposes of billing the CRR Charges, all Sales Customers of UniGas shall be assessed the uniform volumetric charge identified below.

(E) CRR CHARGE

The CRR Charge will be a monthly volumetric rate of \$1.10/Mcf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true-up adjustment procedure. The CRR Charge shall be included in the Participating Gas Utilitys Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below at 14.65 per square inch, as defined above.

(F) DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes

(A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)

(B) Assumed % of uncollectible sales

(C) Total Normalized Sales Volumes Billed and Collected: (A \* (1 - B)).

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Step 2: Determination of CRR Charge

(D) Total CRR Charge Rate Revenue Requirement for Applicable Period

(E) CRR Charge per Normalized Sales Volumes (Mcf): (D / C).

Thereof: CRR Charge for Sales Customers.

(G) CRR CHARGE TRUE-UP

Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

(H) CRR CHARGE TRUE-UP PROCEDURE

UniGas shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If UniGas is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Large Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commissions review and approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being

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understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating to the appropriate amount of any over-collection or under-collection of CRR Charges and the amount of an adjustment).

If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is necessary, (i) the Central Servicer may request and the Large Participating Gas Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. UniGas shall have the right to provide such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.

(I) TAXABILITY

The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

Bill rendered on or after 10/01/2023

COG-CRRC-Muni

A. APPLICABILITY

This Cost of Gas Adjustment shall apply to all customer classes receiving natural gas service from Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (hereinafter called Company) within the incorporated boundaries of Texas municipalities.

B. DEFINITIONS

1. Cost of Gas - The rate per billing unit or the total calculation under this adjustment, consisting of the Commodity Cost, the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, and the revenue associated fees and taxes.

2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio plus an adjustment for any known and quantifiable under or over collection prior to the end of the reconciliation period.

3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from

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its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply reservation, storage, balancing including penalties, and swing services necessary for the movement of gas to the Company`s city gate delivery points. The Cost of Purchased Gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). Renewable Natural Gas is the term used to describe pipeline-quality biomethane produced from biomass. The Cost of Purchased Gas shall not include the cost of financial instruments unless the use of such financial instruments is approved in advance and in writing by the Director of the Oversight and Safety Division of the Railroad Commission of Texas, Gas Services Dept. Such approval would be requested as part of the Company`s annual gas purchase plan, which shall be submitted annually to the Commission no later than June 15.

4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.

5. Reconciliation Audit - An annual review of the Company`s books and records for each 12 month period ending with the production month of June to determine the amount of over or under collection occurring during such 12 month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its general service customers during the period, including prudently incurred gains or losses on the approved use of natural gas financial instruments, (b) the revenues received from operation of the provisions of this Cost of Gas Adjustment reduced by the amount of revenue associated fees and taxes paid by the Company on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Adjustment, (d) the total amount accrued for imbalances under the transportation rate schedule(s) net of fees and applicable taxes, (e) the total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge

6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the 12 month period ending June 30 by the sum of the volumes sold to general service customers. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 1.0526 i.e.  $1/(1 - 0.05)$  unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the Cost of Gas Adjustment. Entries shall be made monthly to reflect,

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(a) the total amounts paid to the Company`s supplier(s) for gas applicable to general service customers as recorded on the Company`s books and records (per Section B(3) above), including prudently incurred gains or losses on the use of approved natural gas financial instruments, (b) the revenues produced by the operation of this Cost of Gas Adjustment, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge.

8. Uncollectible Cost of Gas ` the amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked along with any subsequent recovery/credits related to the cost of gas adjustment. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting reconciliation component.

9. Customer Rate Relief Charge - A nonbypassable volumetric charge incorporated into the Companys Cost of Gas as required under the Companys Customer Rate Relief Rate Schedule and the Railroad Commission of Texass Financing Order in Docket No. OS-21-00007061 issued on February 8, 2022. The Customer Rate Relief Charge is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments, and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

C. COST OF GAS

In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied, subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON FUNDS

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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. SURCHARGE OR REFUND PROCEDURES

In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included in the Reconciliation Account.

Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Interest on Funds, above.

G. COST OF GAS STATEMENT

The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth (a) the estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (f) the Cost of Gas calculation, including gains and losses from approved hedging activities for the month; and (g) the beginning and ending date of the billing period, and (h) the Customer Rate Relief Charge. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas.

H. ANNUAL RECONCILIATION REPORT

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

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the 12 months ending June 30.

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DESCRIPTION

2. A tabulation of gas units sold to general service customers and related Cost of Gas Adjustment revenues.

3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Adjustment to date.

4. A description of the hedging activities conducted each month during the twelve months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period.

5. A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances incurred, the monthly balances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.

6. A tabulation of uncollectible cost of gas during the period and its effect on the Cost of Gas Adjustment to date.

7. The amount of gas cost attributable to the Customer Rate Relief Charge.

This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

**PSFUG2022**

The Company will pass on the one-time customer charge for the Pipeline Safety Inspection Fee in the amount of \$0.96 for each service line reported to be in service at the end of calendar year 2022, pursuant to the Texas Utilities Code 121.211 and the Commission's Rules and Regulations.

The Pipeline Safety Inspection Fee is based on the amount of \$1.00 per service line, as specified by the Railroad Commission of Texas.

**TAXES**

TAXES

If applicable, in addition to the monthly charges above, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of any governmental levies payable by the Company, exclusive of federal income taxes. The tax adjustment is calculated in accordance with the following formula: tax amount divided by volume (Mcf) billed that month equals tax adjustment, applied per Mcf. From time to time, any tax factor may be adjusted, if required, to account for

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SCHEDULE ID

DESCRIPTION

any over- or under-recovery by the Company and to include an amount equivalent to the proportionate part of any new tax or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Additional Gross Receipts Taxes and/or Franchise Fees applicable within municipalities shall only be charged to customers within the incorporated areas.

**RATE ADJUSTMENT PROVISIONS**

None



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CUSTOMERS

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
43447	N	MCF	\$14.8310	10/01/2023
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$12.5350	01/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$15.4840	11/01/2023
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.8930	05/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.4570	12/01/2023
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$14.9610	03/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$15.5270	09/01/2023
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.4220	02/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.7380	04/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			

REASONS FOR FILING

NEW?: N
RRC DOCKET NO:
CITY ORDINANCE NO:
AMENDMENT (EXPLAIN):
OTHER (EXPLAIN): Update Rate Schedule

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SERVICES

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

PREPARER - PERSON FILING

RRC NO: 469 ACTIVE FLAG: Y INACTIVE DATE:  
 FIRST NAME: Amy MIDDLE: L LAST NAME: Doyal  
 TITLE: Director Regulatory Compliance  
 ADDRESS LINE 1: 9750 FM 1488  
 ADDRESS LINE 2:  
 CITY: Magnolia STATE: TX ZIP: 77354 ZIP4: 1619  
 AREA CODE: 281 PHONE NO: 252-6700 EXTENSION:

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**CURTAILMENT PLAN**

<u>PLAN ID</u>	<u>DESCRIPTION</u>
7455	<p data-bbox="289 405 495 430">Curtailment Plan</p> <p data-bbox="289 436 646 462">?7.455 Curtailment Standards</p> <p data-bbox="289 468 1421 520">(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 data-bbox="289 558 1485 667">(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 data-bbox="289 674 909 699">(2) Commission--The Railroad Commission of Texas.</p> <p data-bbox="289 705 1485 905">(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 data-bbox="289 911 1396 995">(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 data-bbox="289 1001 1380 1054">(5) Firm or firm deliveries--Natural gas deliveries that are described as firm under a contract or tariff.</p> <p data-bbox="289 1060 1485 1144">(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 data-bbox="289 1150 1461 1262">(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 data-bbox="289 1268 1461 1320">(8) Interruptible or interruptible deliveries--Natural gas deliveries that are not described as firm under a contract or tariff.</p> <p data-bbox="289 1358 1474 1652">(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 data-bbox="289 1690 479 1715">(c) Priorities.</p> <p data-bbox="289 1753 1461 1837">(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 data-bbox="289 1875 1404 1900">(A) firm deliveries to human needs customers and firm deliveries of natural gas to local</p>

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distribution systems which serve human needs customers;  
 (B) firm deliveries to electric generation facilities;  
 (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;  
 (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

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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.

**LINE EXTENSION POLICY**

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1242	Line Extension and/or Re-Route Policy: Actual Cost Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Companys expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customers side of the meter at customer request
1243	Individual Residential ` Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main and any length of gas mains in excess of the first 50 feet, or service lines, yard lines, and meter set required for the establishment of service, shall be charged to customer at Actual Cost
1244	Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Companys Actual Cost of the necessary gas line extension(s) and related facilities, including gas mains, service lines, meters and regulators
1245	Other Commercial, Industrial or other non-residential locations ` Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost

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QUALITY OF SERVICE

<u>QUAL_SERVICE_ID</u>	<u>DESCRIPTION</u>
QSR_1	<p>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 shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p>(2) Customer relations.</p> <p>(A) Information to customers. Each utility shall:</p> <p>(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information 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</p>

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to advise applicants and others entitled to the information as to the facilities available for serving that locality;

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

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

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

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

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

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

(II) the customer`s right to have his or her meter checked without charge under paragraph (7) of this section, if applicable; (III) the time allowed to pay outstanding bills; (IV) grounds for termination of service; (V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service; (VII) information on alternative payment plans offered by the utility; (VIII) the steps necessary to have service reconnected after involuntary termination; (IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority; (X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and (XI) the customer`s right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

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

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

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

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guidelines:

- (i) Every deferred payment plan entered into due to the customer`s inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.
- (ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer`s ability to pay; customer`s payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.
- (iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer`s signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility`s failure or refusal to comply with the terms of this agreement.
- (iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility`s error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.
- (v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.
- (vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

- (i) Applicability. This subparagraph applies only to: (I) a utility that assesses late payment charges on residential customers and that suspends 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.



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

- (i) Applicant's facilities inadequate. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.
- (ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.
- (iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

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

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

QSR\_2 RULE Section 7.45 Quality of Service; (vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

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

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

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit of the disconnect notice in the United States mail,

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postage prepaid or hand delivery of the disconnect notice 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. Emailed disconnect notices may be provided in addition to deposit of the disconnect notice in the United States mail, postage prepaid or hand delivery to the customer. 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;
- (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

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written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

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

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

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

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

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

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

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, .571.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

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

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

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum

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interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

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

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

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show: (I) the name and address of each depositor; (II) the amount and date of the deposit; and (III) each transaction concerning the deposit.

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

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

(F) Refund of deposit.

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

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

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

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

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless

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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 whether it is issued through the United States mail or electronic methods. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

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

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

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RULE Section 7.45 Quality of Service;

(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.

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(7) Meters.

(A) Meter requirements.

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

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

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

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

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

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

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

(iv) Meter tests on request of customer.

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

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

(v) Bill adjustments due to meter error.

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

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location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

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

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

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

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SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
314266	Charges		The service charges listed below are in addition to any other charges under the Company`s Tariff for Gas Service and will be applied for the condition described
314266	Charges		The service charges listed below are in addition to any other charges under the Company`s Tariff for Gas Service and will be applied for the condition described.
314267	Hours		Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays
314267	Hours		Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays
314268	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer`s subsequent bill
314268	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer`s subsequent bill.
314269	M-1LC		Application for Service: \$35.00. A charge shall be made for new customer account set-up, and credit inquiry, including special meter



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314270	M-2LC	<p>reading.</p> <p>Reconnection Charge During Normal Business Hours: \$40.00.</p> <p>During normal business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, subject to the following exceptions:</p> <p>(a) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or</p> <p>(b) For any reason deemed necessary for Company operations.</p> <p>NOTE: The charges will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test.</p>
314271	M-3LC	<p>Reconnection Charge After Business Hours: \$47.00</p> <p>After standard business hours, there shall be a charge for applicable services set forth in M-2.</p> <p>NOTE: The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder`s or customer`s premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test</p>
314272	M-4LC	<p>Charge for Temporary Discontinuance of Service, Residential: \$20.00</p> <p>Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.</p>
314273	M-5LC	<p>Charge for Temporary Discontinuance of Service, Commercial: \$20.00</p> <p>Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.</p>
314274	M-6LC	<p>Charge for Meter Testing: \$15.00</p>

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The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. The customer must be properly informed of the result of any test on that customer's meter. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee if the meter is not more than 2% out of calibration.

314275 M-7LC Change Regulator Pressure and Additional Regulators: \$50.00/Actual Cost  
 A \$50.00 charge shall be made to change the pressure of the regulator upstream of Customer's meter due to an increase in pressure required by Customer. Additional regulators required to reduce pressure downstream of Customer's meter, as may be required by customer's specific requirements, shall be charged at Actual Cost.

314276 M-8LC Change Meter Location: Actual Cost.  
 A charge shall be made when Company personnel cannot gain unlimited access to its meter at all times due to actions taken by customer.

314277 M-9LC Collection Call: \$20.00  
 Collection Call, trip charge or Missed Appointment (Per Trip).

314278 M-10LC Returned Check Charges, Returned ACH, Declined Credit Card: \$20.00.  
 A charge shall be made for returned check handling charges for each check returned unpaid, ACH returned unpaid or declined, or declined credit card for any reason

314279 M-11LC New Construction Service Deposits - Residential: \$75  
 A Deposit may be required based on credit inquiry results and/or after disconnection for non-payment, subject to Railroad Commission of Texas rules. If a Deposit is required, then service may not be initiated or restored until the Deposit and other applicable fees have been paid.

314280 M-12LC Residential Customer Deposit: AFTER a history has been established  
 Customer Service Deposits shall not exceed one-sixth

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of the customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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 to be paid within five 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. 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 and no cash deposit shall be required of such applicant under these conditions.

314281 M-13LC

New Construction Small Commercial Deposit: \$250 (Small Commercial customer class only).  
 For purposes of these Miscellaneous Service Charges, Small Commercial customers are defined as commercial customers consuming less than 150 MCF per monthly billing period. A Deposit shall be required for all Small Commercial customers. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.

314282 M-14LC

Small Commercial Customer Deposit: AFTER a history has been established.  
 Customer Service Deposits shall not exceed one-sixth of the Small Commercial customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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.

314283 M-15LC

Large Commercial Customer Deposit: Variable (Large Commercial customer class only).  
 For purposes of these Miscellaneous Service Charges, a Large Commercial Customer is defined as any commercial

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customer consuming more than 150 MCF of gas in any monthly billing period. The initial Deposit shall be based on Company's estimate of the Customer's highest gas consumption month (based on type and size of business) and shall be equal to 2 times the net bill for such month. After 12 months' billing history has been accumulated, an additional or reduced Deposit equal to 2 times the net bill for the highest consumption month in the most recent 12 month period shall be required from the Customer. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.

314284 M-16LC

Line Extension and/or Re-Route Policy: Actual Cost. Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Company's expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customer's side of the meter at customer request. Such gas line extensions shall be made only under the following conditions:

(A) Individual Residential - Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main as well as any length of gas mains in excess of the first 50 feet, or service lines and meter set required for the establishment of service shall be charged to customer at Actual Cost.

(B) Developers of Residential and/or Business Subdivisions -- upon execution of Company's Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company's opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Company's Actual Cost of the necessary gas line extension and related facilities, including gas mains, service lines, meters and regulators.

(C) Other Commercial or other non-residential locations - Tapping of Company main and any length of

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gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost.

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DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 09/25/2023 ORIGINAL CONTRACT DATE: RECEIVED DATE: 10/19/2023  
 GAS CONSUMED: Y AMENDMENT DATE: OPERATOR NO: 878395  
 BILLS RENDERED: N INACTIVE DATE:

**RATE SCHEDULE**

SCHEDULE ID                      DESCRIPTION  
 PSFUG2022

The Company will pass on the one-time customer charge for the Pipeline Safety Inspection Fee in the amount of \$0.96 for each service line reported to be in service at the end of calendar year 2022, pursuant to the Texas Utilities Code 121.211 and the Commission's Rules and Regulations.

The Pipeline Safety Inspection Fee is based on the amount of \$1.00 per service line, as specified by the Railroad Commission of Texas.

**TAXES**

TAXES  
 If applicable, in addition to the monthly charges above, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of any governmental levies payable by the Company, exclusive of federal income taxes. The tax adjustment is calculated in accordance with the following formula: tax amount divided by volume (Mcf) billed that month equals tax adjustment, applied per Mcf. From time to time, any tax factor may be adjusted, if required, to account for any over- or under-recovery by the Company and to include an amount equivalent to the proportionate part of any new tax or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Additional Gross Receipts Taxes and/or Franchise Fees applicable within municipalities shall only be charged to customers within the incorporated areas.

**RES-MUNI-LC**

AVAILABILITY  
 This schedule is available to residential consumers within the municipal boundaries of the City of League City, Texas receiving natural gas service from UNIGAS (hereinafter called Company).

APPLICATION OF SCHEDULE  
 The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible residential customers residing in single family or multi-unit residential dwellings in which each unit requires a separate connection and meter. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery and shall not be resold or shared with others. If the Consumer has a written contract with Company, the terms and provision of such contract shall be controlling.

BASE MONTHLY RATE  
 For bills rendered on and after the effective date of this rate schedule, the monthly billing period rate for each customer receiving service under this rate

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schedule shall be the sum of the following:

Monthly Customer Charge: \$21.95.

All Gas Consumed at: \$0.7196 per MCF.

OTHER ADJUSTMENTS

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule COG.

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

Pipeline Safety Inspection Fee: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety Inspection Fee, Rate Schedule PSFUG.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

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

Miscellaneous Service Charges: The billing shall reflect adjustments in accordance with provisions of the Miscellaneous Service Charges, Rate Schedule M.

CRR2

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC. (UNIGAS)  
CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to all Sales Customers for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (the Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Docket No. OS-21-00007061.

ABBREVIATIONS AND DEFINITIONS

1) Authority - The Texas Public Finance Authority, together with any successor to its duties and functions.

2) Bonds or Customer Rate Relief (CRR) Bonds - The Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023 and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.

3) Ccf and Mcf - For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot

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of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.

4)Central Servicer - The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of it under the Servicing Agreement (as defined in the Financing Order).

5) Commission - The Railroad Commission of Texas, including its staff or delegate.

6)CRR Charge True-Up Adjustment - A True-Up Adjustment (as defined in the Financing Order).

7)CRR Charge True-Up Charge Adjustment Letter - A true-up adjustment letter substantially in the form of Exhibit 3 to the Financing Order.

8) CRR Scheduled Adjustment Date ` January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date the Bonds so as to reflect the terms of the Servicing Agreement.

9) Customer Rate Relief (CRR) Charge - A nonbypassable charge as defined in Tex. Util. Code 104.362(7).

10) Financing Order - The order adopted under Tex. Util. Code 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

11) Gas Utility - UniGas and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commissions jurisdiction under Tex. Util. Code 102.001, or an operator that transmits, transports, delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.

12) Irrevocable - The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code 104.362(8) and the CRR Charge authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.

13) Issuer Entity - Texas Natural Gas Securitization Finance Corporation, a Texas



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nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Govt Code 1232.1072.

14) Large Participating Gas Utility - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and any Participating Gas Utility or Successor Utility (as defined in the Financing Order) each of whose Normalized Sales Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after Normalized Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation without any limitation in order to give effect to any merger, acquisition, disposition, divestiture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes. The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effective beginning on January 1 of the following calendar year.

15) Nonbypassable - CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.

16) Normalized Sales Volumes -

a) For Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.

b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar year in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21-00007061, Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

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17) Participating Gas Utilities - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas, Inc. ; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).

18) Sales Customer(s) - All active customers taking service under a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

(B) APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR Charge shall be billed and collected by UniGas as a Participating Gas Utility for all of its Texas customers under the terms of the Financing Order. Individual Sales Customers are responsible for paying the CRR Charge billed to them in accordance with the terms of this rate schedule. Payment is to be made to the gas utility that bills the customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

(C) TERM This rate schedule shall remain in effect until the CRR Charges have been collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonbypassable.

(D) SALES CUSTOMERS For the purposes of billing the CRR Charges, all Sales Customers of UniGas shall be assessed the uniform volumetric charge identified below.

(E) CRR CHARGE

The CRR Charge will be a monthly volumetric rate of \$1.10/Mcf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true-up adjustment procedure. The CRR Charge shall be included in the Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below

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at 14.65 per square inch, as defined above.

(F) DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes

(A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)

(B) Assumed % of uncollectible sales

(C) Total Normalized Sales Volumes Billed and Collected:  $(A * (1 - B))$ .

Step 2: Determination of CRR Charge

(D) Total CRR Charge Rate Revenue Requirement for Applicable Period

(E) CRR Charge per Normalized Sales Volumes (Mcf):  $(D / C)$ .

Thereof: CRR Charge for Sales Customers.

(G) CRR CHARGE TRUE-UP

Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

(H) CRR CHARGE TRUE-UP PROCEDURE

UniGas shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If UniGas is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central

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Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Large Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commissions review and approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating to the appropriate amount of any over-collection or under-collection of CRR Charges and the amount of an adjustment).

If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is necessary, (i) the Central Servicer may request and the Large Participating Gas Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. UniGas shall have the right to provide such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.

(I) TAXABILITY

The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

Bill rendered on or after 10/01/2023

COG-CRRC-Muni

A. APPLICABILITY

This Cost of Gas Adjustment shall apply to all customer classes receiving natural

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gas service from Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (hereinafter called Company) within the incorporated boundaries of Texas municipalities.

B. DEFINITIONS

1. Cost of Gas - The rate per billing unit or the total calculation under this adjustment, consisting of the Commodity Cost, the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, and the revenue associated fees and taxes.

2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio plus an adjustment for any known and quantifiable under or over collection prior to the end of the reconciliation period.

3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply reservation, storage, balancing including penalties, and swing services necessary for the movement of gas to the Company`s city gate delivery points. The Cost of Purchased Gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). Renewable Natural Gas is the term used to describe pipeline-quality biomethane produced from biomass. The Cost of Purchased Gas shall not include the cost of financial instruments unless the use of such financial instruments is approved in advance and in writing by the Director of the Oversight and Safety Division of the Railroad Commission of Texas, Gas Services Dept. Such approval would be requested as part of the Company`s annual gas purchase plan, which shall be submitted annually to the Commission no later than June 15.

4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit.

5. Reconciliation Audit - An annual review of the Company`s books and records for each 12 month period ending with the production month of June to determine the amount of over or under collection occurring during such 12 month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its general service customers during the period, including prudently incurred gains or losses on the approved use of natural gas financial instruments, (b) the revenues received from operation of the provisions of this Cost of Gas Adjustment reduced by the amount of revenue associated fees and taxes paid by the Company on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Adjustment, (d) the total amount accrued for imbalances under

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the transportation rate schedule(s) net of fees and applicable taxes, (e) the total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge

6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the 12 month period ending June 30 by the sum of the volumes sold to general service customers. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 1.0526 i.e.  $1/(1 - 0.05)$  unless expressly authorized by the applicable regulatory authority.

7. Reconciliation Account - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the Cost of Gas Adjustment. Entries shall be made monthly to reflect, (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records (per Section B(3) above), including prudently incurred gains or losses on the use of approved natural gas financial instruments, (b) the revenues produced by the operation of this Cost of Gas Adjustment, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases, and (g) the amount of gas cost attributable to the Customer Rate Relief Charge.

8. Uncollectible Cost of Gas - the amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked along with any subsequent recovery/credits related to the cost of gas adjustment. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting reconciliation component.

9. Customer Rate Relief Charge - A nonbypassable volumetric charge incorporated into the Companys Cost of Gas as required under the Companys Customer Rate Relief Rate Schedule and the Railroad Commission of Texass Financing Order in Docket No. OS-21-00007061 issued on February 8, 2022. The Customer Rate Relief Charge is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments, and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

C. COST OF GAS

In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on

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each customer bill.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied, subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON FUNDS

Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. SURCHARGE OR REFUND PROCEDURES

In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included in the Reconciliation Account.

Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Interest on Funds, above.

G. COST OF GAS STATEMENT

The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth (a) the estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales

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Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (f) the Cost of Gas calculation, including gains and losses from approved hedging activities for the month; and (g) the beginning and ending date of the billing period, and (h) the Customer Rate Relief Charge. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas.

H. ANNUAL RECONCILIATION REPORT

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

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the 12 months ending June 30.
2. A tabulation of gas units sold to general service customers and related Cost of Gas Adjustment revenues.
3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Adjustment to date.
4. A description of the hedging activities conducted each month during the twelve months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period.
5. A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances incurred, the monthly balances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.
6. A tabulation of uncollectible cost of gas during the period and its effect on the Cost of Gas Adjustment to date.
7. The amount of gas cost attributable to the Customer Rate Relief Charge.

This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

**RATE ADJUSTMENT PROVISIONS**



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None

**CUSTOMERS**

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
43447	N	MCF	\$14.8310	10/01/2023
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$12.5350	01/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$15.4840	11/01/2023
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.8930	05/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.4570	12/01/2023
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$14.9610	03/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$15.5270	09/01/2023
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.4220	02/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.7380	04/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.7620	06/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			
43447	N	MCF	\$13.7450	07/01/2024
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			

**REASONS FOR FILING**

NEW?: N

RRC DOCKET NO:

CITY ORDINANCE NO:

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN): Update Rate Schedule

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SERVICES

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

PREPARER - PERSON FILING

RRC NO: 469 ACTIVE FLAG: Y INACTIVE DATE:

FIRST NAME: Amy MIDDLE: L LAST NAME: Doyal

TITLE: Director Regulatory Compliance

ADDRESS LINE 1: 9750 FM 1488

ADDRESS LINE 2:

CITY: Magnolia STATE: TX ZIP: 77354 ZIP4: 1619

AREA CODE: 281 PHONE NO: 252-6700 EXTENSION:

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**CURTAILMENT PLAN**

<u>PLAN ID</u>	<u>DESCRIPTION</u>
7455	<p data-bbox="284 409 495 430">Curtailment Plan</p> <p data-bbox="284 436 641 457">?7.455 Curtailment Standards</p> <p data-bbox="284 464 1421 520">(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 data-bbox="284 556 1485 667">(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 data-bbox="284 674 909 695">(2) Commission--The Railroad Commission of Texas.</p> <p data-bbox="284 701 1485 905">(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 data-bbox="284 911 1396 995">(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 data-bbox="284 1001 1380 1058">(5) Firm or firm deliveries--Natural gas deliveries that are described as firm under a contract or tariff.</p> <p data-bbox="284 1064 1485 1148">(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 data-bbox="284 1155 1461 1266">(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 data-bbox="284 1272 1461 1329">(8) Interruptible or interruptible deliveries--Natural gas deliveries that are not described as firm under a contract or tariff.</p> <p data-bbox="284 1360 1469 1654">(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 data-bbox="284 1686 479 1707">(c) Priorities.</p> <p data-bbox="284 1745 1461 1829">(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 data-bbox="284 1864 1404 1885">(A) firm deliveries to human needs customers and firm deliveries of natural gas to local</p>

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distribution systems which serve human needs customers;

(B) firm deliveries to electric generation facilities;

(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;

(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

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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.

**LINE EXTENSION POLICY**

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1244	Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Companys Actual Cost of the necessary gas line extension(s) and related facilities, including gas mains, service lines, meters and regulators
1245	Other Commercial, Industrial or other non-residential locations ` Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost
1242	Line Extension and/or Re-Route Policy: Actual Cost Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Companys expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customers side of the meter at customer request
1243	Individual Residential ` Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main and any length of gas mains in excess of the first 50 feet, or service lines, yard lines, and meter set required for the establishment of service, shall be charged to customer at Actual Cost

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## QUALITY OF SERVICE

<u>QUAL_SERVICE_ID</u>	<u>DESCRIPTION</u>
QSR_1	<p>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 shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p>(2) Customer relations.</p> <p>(A) Information to customers. Each utility shall:</p> <p>(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information 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</p>

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to advise applicants and others entitled to the information as to the facilities available for serving that locality;

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

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

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

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

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

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

(II) the customer`s right to have his or her meter checked without charge under paragraph (7) of this section, if applicable; (III) the time allowed to pay outstanding bills; (IV) grounds for termination of service; (V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service; (VII) information on alternative payment plans offered by the utility; (VIII) the steps necessary to have service reconnected after involuntary termination; (IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority; (X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and (XI) the customer`s right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

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

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

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

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guidelines:

- (i) Every deferred payment plan entered into due to the customer`s inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.
- (ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer`s ability to pay; customer`s payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.
- (iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer`s signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility`s failure or refusal to comply with the terms of this agreement.
- (iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility`s error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.
- (v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.
- (vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

- (i) Applicability. This subparagraph applies only to: (I) a utility that assesses late payment charges on residential customers and that suspends 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.



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

- (i) Applicant's facilities inadequate. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.
- (ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.
- (iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

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

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

QSR\_3

RULE Section 7.45 Quality of Service;

(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.

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(7) Meters.

(A) Meter requirements.

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

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

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

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

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

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

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

(iv) Meter tests on request of customer.

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

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

(v) Bill adjustments due to meter error.

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

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location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

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

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

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

QSR\_2 RULE Section 7.45 Quality of Service; (vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

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

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

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit of the disconnect notice in the United States mail, postage prepaid or hand delivery of the disconnect notice to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or

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similar language prominently displayed on the notice. Emailed disconnect notices may be provided in addition to deposit of the disconnect notice in the United States mail, postage prepaid or hand delivery to the customer. 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;
- (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

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bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

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

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

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

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

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

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

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, .571.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

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

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

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

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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 for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

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

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

(6) Billing.

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

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

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

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

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SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
314248	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer's subsequent bill
314248	ActualCost		For purposes of this Schedule M, Actual Cost means those costs that Company incurs to perform the miscellaneous services requested and shall include, but in no event be limited to, the cost of materials, cost of labor, allocated overhead costs, permit costs, right-of-way acquisition costs, and any other costs, including all applicable taxes, associated with the miscellaneous services provided by Company. Actual Cost also includes, where necessary, an allowance for inventory loss or consumed materials. Actual Cost specifically excludes Company profit. Company shall provide a breakdown of costs by category for any Miscellaneous Services provided in Customer's subsequent bill.
314249	M-1LC		Application for Service: \$35.00. A charge shall be made for new customer account set-up, and credit inquiry, including special meter reading.
314250	M-2LC		Reconnection Charge During Normal Business Hours: \$40.00. During normal business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, subject to the following exceptions:  (a) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (b) For any reason deemed necessary for Company operations.  NOTE: The charges will also apply in the event that the connection or reconnection cannot be made because



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there is an issue on the builder's or customer's premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test.

314251 M-3LC

Reconnection Charge After Business Hours: \$47.00  
After standard business hours, there shall be a charge for applicable services set forth in M-2.  
NOTE: The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test

314252 M-4LC

Charge for Temporary Discontinuance of Service, Residential: \$20.00  
Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.

314253 M-5LC

Charge for Temporary Discontinuance of Service, Commercial: \$20.00  
Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.

314254 M-6LC

Charge for Meter Testing: \$15.00  
The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. The customer must be properly informed of the result of any test on that customer's meter. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee if the meter is not more than 2% out of calibration.

314255 M-7LC

Change Regulator Pressure and Additional Regulators: \$50.00/Actual Cost  
A \$50.00 charge shall be made to change the pressure

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314256	M-8LC	<p>of the regulator upstream of Customer`s meter due to an increase in pressure required by Customer. Additional regulators required to reduce pressure downstream of Customer`s meter, as may be required by customer`s specific requirements, shall be charged at Actual Cost.</p>
314256	M-8LC	<p>Change Meter Location: Actual Cost.                  A charge shall be made when Company personnel cannot gain unlimited access to its meter at all times due to actions taken by customer.</p>
314257	M-9LC	<p>Collection Call: \$20.00                  Collection Call, trip charge or Missed Appointment (Per Trip).</p>
314258	M-10LC	<p>Returned Check Charges, Returned ACH, Declined Credit Card: \$20.00.                  A charge shall be made for returned check handling charges for each check returned unpaid, ACH returned unpaid or declined, or declined credit card for any reason</p>
314259	M-11LC	<p>New Construction Service Deposits - Residential: \$75                  A Deposit may be required based on credit inquiry results and/or after disconnection for non-payment, subject to Railroad Commission of Texas rules. If a Deposit is required, then service may not be initiated or restored until the Deposit and other applicable fees have been paid.</p>
314260	M-12LC	<p>Residential Customer Deposit: AFTER a history has been established                  Customer Service Deposits shall not exceed one-sixth of the customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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 to be paid within five 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. 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 and no cash deposit shall be required of such</p>

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314261	M-13LC	<p>applicant under these conditions.</p> <p>New Construction Small Commercial Deposit: \$250 (Small Commercial customer class only). For purposes of these Miscellaneous Service Charges, Small Commercial customers are defined as commercial customers consuming less than 150 MCF per monthly billing period. A Deposit shall be required for all Small Commercial customers. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.</p>
314262	M-14LC	<p>Small Commercial Customer Deposit: AFTER a history has been established. Customer Service Deposits shall not exceed one-sixth of the Small Commercial customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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.</p>
314263	M-15LC	<p>Large Commercial Customer Deposit: Variable (Large Commercial customer class only). For purposes of these Miscellaneous Service Charges, a Large Commercial Customer is defined as any commercial customer consuming more than 150 MCF of gas in any monthly billing period. The initial Deposit shall be based on Company`s estimate of the Customer`s highest gas consumption month (based on type and size of business) and shall be equal to 2 times the net bill for such month. After 12 months` billing history has been accumulated, an additional or reduced Deposit equal to 2 times the net bill for the highest consumption month in the most recent 12 month period shall be required from the Customer. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.</p>
314264	M-16LC	<p>Line Extension and/or Re-Route Policy: Actual Cost. Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Company`s expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of</p>

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such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customer's side of the meter at customer request. Such gas line extensions shall be made only under the following conditions:

(A) Individual Residential - Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main as well as any length of gas mains in excess of the first 50 feet, or service lines and meter set required for the establishment of service shall be charged to customer at Actual Cost.

(B) Developers of Residential and/or Business Subdivisions -- upon execution of Company's Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company's opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Company's Actual Cost of the necessary gas line extension and related facilities, including gas mains, service lines, meters and regulators.

(C) Other Commercial or other non-residential locations - Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost.

314246 Charges The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described

314246 Charges The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described.

314247 Hours Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays

314247 Hours Normal business hours are Monday through Friday, 8:30 AM .5 4:30 PM Central Time. After business hours are

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considered outside of normal business hours including weekends and holidays

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DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 06/25/2024 ORIGINAL CONTRACT DATE: RECEIVED DATE: 07/11/2024  
 GAS CONSUMED: Y AMENDMENT DATE: OPERATOR NO: 878395  
 BILLS RENDERED: N INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID DESCRIPTION  
 COMM-MUNI-1C23

AVAILABILITY  
 This schedule is available to commercial and other non-residential (hereinafter called Commercial) customers within the municipal boundaries of the City of League City, Texas receiving natural gas service from UNIGAS (hereinafter called Company).

APPLICATION OF SCHEDULE  
 The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible Commercial customers in which each unit requires a separate connection and meter. 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. If the Customer has a written contract with Company, the terms and provisions of such contract shall be controlling.

BASE MONTHLY RATE  
 For bills rendered on and after the effective date of this rate schedule, the monthly billing period rate for each customer receiving service under this rate schedule shall be the sum of the following:

UNIGAS ? COMMERCIAL TARIFF MATRIX  
 COMMERCIAL CUSTOMER DESCRIPTION MONTHLY CONSUMPTION CRITERIA  
 Equal to or Less Than or  
 Greater Than: Equal to: BASE MONTHLY RATE

Monthly Customer Commodity Charge  
 Small Commercial 0.0 Mcf/Mth. 150.0 Mcf/Mth. \$27.93/Mth. (Base) + \$49.82/Mth.  
 (Interim Rate Adj.) =

\$77.75 /Mth. (Total) \$0.5654/Mcf  
 Large Commercial 150.1 Mcf/Mth.

N/A \$470.37/Mth (Base) + \$767.79/Mth. (Interim Rate Adj.) =

\$1,238.16 \$0.8034/Mcf

OTHER ADJUSTMENTS  
 Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule COG.

Pipeline Safety Inspection Fee: The billing shall reflect adjustments in accordance

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SCHEDULE ID

DESCRIPTION

with provisions of the Pipeline Safety Inspection Fee, Rate Schedule PSFUG.

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

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

Miscellaneous Service Charges: The billing shall reflect adjustments in accordance with provisions of the Miscellaneous Service Charges, Rate Schedule M. Any applicable Miscellaneous Service Charges where rates for such Miscellaneous Services Charges differ shall be equal to or less than those charges assessed by other gas utilities currently approved to operate in League City, Texas.

CRR2

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC. (UNIGAS)  
 CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to all Sales Customers for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (the Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Docket No. OS-21-00007061.

ABBREVIATIONS AND DEFINITIONS

1) Authority - The Texas Public Finance Authority, together with any successor to its duties and functions.

2) Bonds or Customer Rate Relief (CRR) Bonds - The Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023 and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.

3) Ccf and Mcf - For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.

4) Central Servicer - The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of it under the Servicing Agreement (as defined in the Financing Order).

5) Commission - The Railroad Commission of Texas, including its staff or delegate.

6) CRR Charge True-Up Adjustment - A True-Up Adjustment (as defined in the Financing

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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

Order).

7)CRR Charge True-Up Charge Adjustment Letter - A true-up adjustment letter substantially in the form of Exhibit 3 to the Financing Order.

8) CRR Scheduled Adjustment Date ` January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date the Bonds so as to reflect the terms of the Servicing Agreement.

9) Customer Rate Relief (CRR) Charge - A nonbypassable charge as defined in Tex. Util. Code 104.362(7).

10) Financing Order - The order adopted under Tex. Util. Code 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

11) Gas Utility - UniGas and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commissions jurisdiction under Tex. Util. Code 102.001, or an operator that transmits, transports, delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.

12) Irrevocable - The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code 104.362(8) and the CRR Charge authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.

13) Issuer Entity - Texas Natural Gas Securitization Finance Corporation, a Texas nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Govt Code 1232.1072.

14) Large Participating Gas Utility - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and any Participating Gas Utility or Successor Utility (as defined in the Financing Order) each of whose Normalized Sales Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after



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Normalized Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation without any limitation in order to give effect to any merger, acquisition, disposition, divestiture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes. The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effective beginning on January 1 of the following calendar year.

15) Nonbypassable - CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.

16) Normalized Sales Volumes -

a) For Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.

b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar year in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21-00007061, Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

17) Participating Gas Utilities - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas, Inc. ; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).

18) Sales Customer(s) - All active customers taking service under a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

(B) APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR Charge shall be billed and collected by UniGas as a Participating Gas Utility for all of its Texas customers under the terms of the Financing Order. Individual Sales Customers are responsible for paying the CRR Charge billed to them in accordance with the terms of this rate schedule. Payment is to be made to the gas utility that bills the customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

(C) TERM This rate schedule shall remain in effect until the CRR Charges have been collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonbypassable.

(D) SALES CUSTOMERS For the purposes of billing the CRR Charges, all Sales Customers of UniGas shall be assessed the uniform volumetric charge identified below.

(E) CRR CHARGE

The CRR Charge will be a monthly volumetric rate of \$1.10/Mcf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true-up adjustment procedure. The CRR Charge shall be included in the Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below at 14.65 per square inch, as defined above.

(F) DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes

(A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)

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(B) Assumed % of uncollectible sales  
 (C) Total Normalized Sales Volumes Billed and Collected:  $(A * (1 - B))$ .

Step 2: Determination of CRR Charge

(D) Total CRR Charge Rate Revenue Requirement for Applicable Period  
 (E) CRR Charge per Normalized Sales Volumes (Mcf):  $(D / C)$ .  
 Thereof: CRR Charge for Sales Customers.

(G) CRR CHARGE TRUE-UP

Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

(H) CRR CHARGE TRUE-UP PROCEDURE

UniGas shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If UniGas is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Large Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical

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factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commissions review and approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating to the appropriate amount of any over-collection or under-collection of CRR Charges and the amount of an adjustment).

If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is necessary, (i) the Central Servicer may request and the Large Participating Gas Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. UniGas shall have the right to provide such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.

(I) TAXABILITY

The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

Bill rendered on or after 10/01/2023

COG

A. APPLICABILITY

This Cost of Gas Adjustment shall apply to all customer classes receiving natural gas service from Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (hereinafter called Company).

B. DEFINITIONS 1. Cost of Gas - The rate per billing unit or the total calculation under this adjustment, consisting of the Commodity Cost, the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, and the revenue associated fees and taxes. 2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio plus an adjustment for any known and quantifiable under or over collection prior to the end of the reconciliation period. 3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from its suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply

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reservation, storage, balancing including penalties, and swing services necessary for the movement of gas to the Company's city gate delivery points. The Cost of Purchased Gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). Renewable Natural Gas is the term used to describe pipeline-quality biomethane produced from biomass. The Cost of Purchased Gas shall not include the cost of financial instruments unless the use of such financial instruments is approved in advance and in writing by the Director of the Oversight and Safety Division of the Railroad Commission of Texas, Gas Services Dept. Such approval would be requested as part of the Company's annual gas purchase plan, which shall be submitted annually to the Commission no later than June 15. 4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit. 5. Reconciliation Audit - An annual review of the Company's books and records for each 12 month period ending with the production month of June to determine the amount of over or under collection occurring during such 12 month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its general service customers during the period, including prudently incurred gains or losses on the approved use of natural gas financial instruments, (b) the revenues received from operation of the provisions of this Cost of Gas Adjustment reduced by the amount of revenue associated fees and taxes paid by the Company on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Adjustment, (d) the total amount accrued for imbalances under the transportation rate schedule(s) net of fees and applicable taxes, (e) the total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases. 6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the 12 month period ending June 30 by the sum of the volumes sold to general service customers. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 1.0526 i.e.  $1/(1 - 0.05)$  unless expressly authorized by the applicable regulatory authority. 7. Reconciliation Account - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the Cost of Gas Adjustment. Entries shall be made monthly to reflect, (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records (per Section B(3) above), including prudently incurred gains or losses on the use of approved natural gas financial instruments, (b) the revenues produced by the operation of this Cost of Gas Adjustment, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases. 8. Uncollectible Cost of Gas - the amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked

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along with any subsequent recovery/credits related to the cost of gas adjustment. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting reconciliation component.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill. The February 2021 Winter Event Installment Charge, as defined below, shall also be clearly identified on a separate line item on each customer bill while such charge is in effect.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied, subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON FUNDS Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. SURCHARGE OR REFUND PROCEDURES In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section (E) Interest on Funds, above.

G. COST OF GAS STATEMENT The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas

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Statement shall set forth (a) the estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (f) the Cost of Gas calculation, including gains and losses from approved hedging activities for the month; and (g) the beginning and ending date of the billing period. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The Cost of Gas Statement shall also include the data and calculations set forth in Section I below with respect to the February 2021 Winter Event Regulatory Asset and the February 2021 Winter Event Installment Charge, as defined herein.

H. ANNUAL RECONCILIATION REPORT The Company shall file an Annual Reconciliation Report with the Regulatory Authority which shall include but not necessarily be limited to: 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the 12 months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas Adjustment revenues. 3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Adjustment to date. 4. A description of the hedging activities conducted each month during the twelve months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period. 5. A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances incurred, the monthly balances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period. 6. A tabulation of uncollectible cost of gas during the period and its effect on the Cost of Gas Adjustment to date. This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

I. FEBRUARY 2021 WINTER EVENT INSTALLMENT CHARGE In recognition of the extraordinary gas costs necessary to provide service during the February 2021 winter storm event and the potential financial impact to its customers, the Company is authorized and directed to defer, as a regulatory asset, its principal costs of Cost of Gas with respect to service provided during the month of February 2021 only (February 2021 Winter Event Regulatory Asset). The Company shall be entitled to book a separate regulatory asset associated with its carrying costs based on its cost of long-term debt, as approved by the Commission in the Company's most recent base rate proceeding in Docket OS-20-00004865 (5.31 percent), associated with any unrecovered monthly balance of its principal or carrying costs related to the February 2021 Winter Event Regulatory Asset (February 2021 Winter Event Carrying

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Costs); however, the recovery mechanism for the February 2021 Winter Event Carrying Costs will be set in a subsequent proceeding. The February 2021 Winter Event Regulatory Asset, exclusive of the February 2021 Winter Event Carrying Costs, shall be amortized and recovered from customers in installments, separate from the other charges and adjustments authorized in this Rate Schedule COG, that shall be applied as follows (February 2021 Winter Event Installment Charge): The February 2021 Winter Event Regulatory Asset shall be amortized in equal installments over a period of 18 months (Fixed Monthly Recovery Installment). The volumetric-based installment charge for each of these 18 months shall be computed by dividing the Fixed Monthly Recovery Installment to be recovered from customers in that calendar month by the Company's total volumes of gas sold to general service customers in the calendar month subject to that bill. The resulting amount per Mcf shall then be multiplied by the customer's actual gas usage in Mcf during that month to determine the customer's total installment charge amount owed for that month. In the event that the Company elects to participate in a securitization of its February 2021 Winter Event Regulatory Asset, the February 2021 Winter Event Installment Charge shall terminate with respect to the portion of the February 2021 Winter Event Regulatory Asset so securitized.

**PSFUG2023**

The Company will pass on the one-time customer charge for the Pipeline Safety Inspection Fee in the amount of \$0.96 for each service line reported to be in service at the end of calendar year 2023, pursuant to the Texas Utilities Code 121.211 and the Commission's Rules and Regulations. The Pipeline Safety Inspection Fee is based on the amount of \$1.00 per service line, as specified by the Railroad Commission of Texas.

**TAXES**

TAXES

If applicable, in addition to the monthly charges above, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of any governmental levies payable by the Company, exclusive of federal income taxes. The tax adjustment is calculated in accordance with the following formula: tax amount divided by volume (Mcf) billed that month equals tax adjustment, applied per Mcf. From time to time, any tax factor may be adjusted, if required, to account for any over- or under-recovery by the Company and to include an amount equivalent to the proportionate part of any new tax or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Additional Gross Receipts Taxes and/or Franchise Fees applicable within municipalities shall only be charged to customers within the incorporated areas.

**RATE ADJUSTMENT PROVISIONS**

None



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**CUSTOMERS**

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
43447	N			
<u>CUSTOMER NAME</u>	Municipal Customers located in the city of League City			

**REASONS FOR FILING**

NEW?: Y

RRC DOCKET NO:

CITY ORDINANCE NO:

AMENDMENT (EXPLAIN):

OTHER (EXPLAIN):

**SERVICES**

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

**PREPARER - PERSON FILING**

RRC NO: 469 ACTIVE FLAG: Y INACTIVE DATE:

FIRST NAME: Amy MIDDLE: L LAST NAME: Doyal

TITLE: Director Regulatory Compliance

ADDRESS LINE 1: 9750 FM 1488

ADDRESS LINE 2:

CITY: Magnolia STATE: TX ZIP: 77354 ZIP4: 1619

AREA CODE: 281 PHONE NO: 252-6700 EXTENSION:

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CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
489	Universal Natural Gas, Inc. has adopted Gas Utilities Docket No. 489  <div style="text-align: right;">RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION GAS UTILITIES</div> DIVISION  OIL AND GAS DOCKET  <div style="text-align: center;">GAS UTILITIES DIVISION</div> NO. 20-62,505  <div style="text-align: center;">DOCKET NO. 489</div>

ORDER

RELATING TO THE APPROVAL BY THE COMMISSION OF CURTAILMENT PROGRAMS FOR NATURAL GAS TRANSPORTED AND SOLD WITHIN THE STATE OF TEXAS

After due notice the Railroad Commission of Texas on the 30th day of November, 1972, heard testimony and requested written curtailment priorities from representatives of investor owned and municipal gas utilities companies, private industry consumers and others responsible for directing available natural gas supplies to the consumers of natural gas in the State of Texas.

WHEREAS, pursuant to the authority granted to the Railroad Commission of Texas in Article 6050 to 6066, inclusive, R.C.S., as amended; and

WHEREAS, the Commission has determined the need for a curtailment program to assure effective control of the flow of natural gas to the proper destinations to avoid suffering and hardship of domestic consumers; and

WHEREAS, the Commission has determined a need to make natural gas available to all gas consumers on a reasonable but limited basis during times of needed curtailment to the end that the public will be best served; and

WHEREAS, the Commission has determined that the transportation delivery and/or sale of natural gas in the State of Texas for any purpose other than human need consumption will be curtailed to whatever extent and for whatever periods the Commission may find necessary for the primary benefit of human needs customers (domestic and commercial consumption) and such small industries as cannot practically be curtailed without curtailing human needs.

IT IS THEREFORE, ORDERED BY THE RAILROAD COMMISSION OF TEXAS that the following rules relating to the approval by the Commission of curtailment programs for gas transported and sold within the State of Texas shall apply to all parties responsible for directing available and future natural gas supplies to the consumers of natural gas in the State of Texas.

RULE 1.

Every natural gas utility, as that term is defined in Article 6050, R.C.S. of Texas, as amended, intrastate operations only, shall file with the Railroad Commission on or before Feb. 12, 1973, its curtailment program. The Commission may approve the program without a hearing;

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set the matter for a public hearing on its own motion or on the motion of any affected customer of said utility.

The curtailment program to be filed shall include, in verified form, the following information:

A. Volume of gas reserves attached to its system together with a brief description of each separate source of gas reserves setting forth the following:

1. the name of the supplier,
2. the term of each contract in years, and the years remaining on said contract,
3. the volume of recoverable reserve contracted for, and
4. rated deliverability of such reserves in MCF.

B. Capacity and location of underground storage, if any, attached to its system with a statement of whether the company's storage balance is above or below its desired level for this time, and, if below, what plans has the company made to restore the balance.

C. Peak day and average daily deliverability on an annual basis of its wells, gas plants and underground storage attached to its system.

D. Peak day capacity of its system.

E. Forecast of additions to reserves for each of the next two succeeding years.

F. Location and size of the line pipes, compressor stations, operating maximum line pressures, and a map showing delivery points along the system.

G. Disposition of all gas entering its system, with names of all customers other than residential customers and volumes delivered to each during the past calendar year. Identify those customers using 3,000 MCF gas per day, or more, which are under a service contract, and if such contract includes an Interruptible Service clause, and if so, attach a reproduced copy of the relevant provisions of such contract.

H. Steps taken in past years, being taken at the present, and to be taken to alleviate curtailments. RULE 2. Until such time as the Commission has specifically approved a utilities curtailment program, the following priorities in descending order shall be observed: A. Deliveries for residences, hospitals, schools, churches and other human needs customers. B. Deliveries of gas to small industrials and regular commercial loads (defined as those customers using less than 3,000 MCF per day) and delivery of gas for use as pilot lights or in accessory or auxiliary equipment essential to avoid serious damage to industrial plants. C. Large users of gas for fuel or as a raw material where an alternate cannot be used and operation and plant production would be curtailed or shut down completely when gas is curtailed. D. Large users of gas for boiler fuel or other fuel users where alternate fuels can be used. This category is not to be determined by whether or not a user has actually installed alternate fuel facilities, but whether or not an alternate fuel could be used. E. Interruptible sales made subject to interruption or curtailment at Seller's sole discretion under contracts or tariffs which provide in effect for the sale of such gas as Seller may be agreeable to selling and Buyer may be agreeable to buying from time to time. RULE 3. Each gas utility that has obtained Commission approval of a curtailment program shall conduct operations in compliance with such program. So long as any gas utility which has obtained Commission approval of a curtailment program continues to curtail deliveries to its customers, except as provided by contract or

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those customers included in Part E of Rule 2 above, it (a) shall file on or before April 1 of each year, under oath, the information called for in Rule 1, for the preceeding year, and (b) shall not, without Commission approval, make sales of gas to any new customers or increase volumes sold to existing customers, except those new or existing customers defined in Parts A & B of Rule 2 above. IT IS FURTHER ORDERED that this cause be held open for such other and further orders as may be deemed necessary. ENTERED AT AUSTIN, TEXAS, this 5th day of January, 1973.

**LINE EXTENSION POLICY**

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1242	Line Extension and/or Re-Route Policy: Actual Cost Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Companys expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customers side of the meter at customer request
1243	Individual Residential ` Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main and any length of gas mains in excess of the first 50 feet, or service lines, yard lines, and meter set required for the establishment of service, shall be charged to customer at Actual Cost
1244	Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Companys Actual Cost of the necessary gas line extension(s) and related facilities, including gas mains, service lines, meters and regulators
1245	Other Commercial, Industrial or other non-residential locations ` Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost

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QUALITY OF SERVICE

<u>QUAL_SERVICE_ID</u>	<u>DESCRIPTION</u>
QSR_1	<p>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 shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.</p> <p>(2) Customer relations.</p> <p>(A) Information to customers. Each utility shall:</p> <p>(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information 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</p>

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to advise applicants and others entitled to the information as to the facilities available for serving that locality;

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

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

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

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

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

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

(II) the customer`s right to have his or her meter checked without charge under paragraph (7) of this section, if applicable; (III) the time allowed to pay outstanding bills; (IV) grounds for termination of service; (V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service; (VII) information on alternative payment plans offered by the utility; (VIII) the steps necessary to have service reconnected after involuntary termination; (IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority; (X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and (XI) the customer`s right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

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

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

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

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guidelines:

- (i) Every deferred payment plan entered into due to the customer`s inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.
- (ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer`s ability to pay; customer`s payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.
- (iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer`s signature and in bold-face print at least two sizes larger than any other used, that: If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility`s failure or refusal to comply with the terms of this agreement.
- (iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility`s error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.
- (v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.
- (vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

- (i) Applicability. This subparagraph applies only to: (I) a utility that assesses late payment charges on residential customers and that suspends 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.

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

- (i) Applicant's facilities inadequate. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.
- (ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.
- (iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

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

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

QSR\_2 RULE Section 7.45 Quality of Service; (vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

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

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

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit of the disconnect notice in the United States mail,



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postage prepaid or hand delivery of the disconnect notice 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. Emailed disconnect notices may be provided in addition to deposit of the disconnect notice in the United States mail, postage prepaid or hand delivery to the customer. 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;
- (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

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written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

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

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

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

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

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

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

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, .571.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

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

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

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum

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interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

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

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

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show: (I) the name and address of each depositor; (II) the amount and date of the deposit; and (III) each transaction concerning the deposit.

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

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

(F) Refund of deposit.

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

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

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

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

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless

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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 whether it is issued through the United States mail or electronic methods. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

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

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

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(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.

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(7) Meters.

(A) Meter requirements.

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

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

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

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

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

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

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

(iv) Meter tests on request of customer.

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

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

(v) Bill adjustments due to meter error.

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

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location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

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

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

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

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SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
317497	M-1LC		Application for Service: \$35.00. A charge shall be made for new customer account set-up, and credit inquiry, including special meter reading.
317498	M-2LC		Reconnection Charge During Normal Business Hours: \$40.00. During normal business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, subject to the following exceptions:  (a) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (b) For any reason deemed necessary for Company operations.  NOTE: The charges will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test.
317499	M-3LC		Reconnection Charge After Business Hours: \$47.00 After standard business hours, there shall be a charge for applicable services set forth in M-2. NOTE: The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test
317500	M-4LC		Charge for Temporary Discontinuance of Service, Residential: \$20.00 Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.
317501	M-5LC		Charge for Temporary Discontinuance of Service, Commercial: \$20.00 Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to

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317502	M-6LC	<p>reestablish such service for that customer at the same address.</p> <p>Charge for Meter Testing: \$15.00</p> <p>The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. The customer must be properly informed of the result of any test on that customer`s meter. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee if the meter is not more than 2% out of calibration.</p>
317503	M-7LC	<p>Change Regulator Pressure and Additional Regulators: \$50.00/Actual Cost</p> <p>A \$50.00 charge shall be made to change the pressure of the regulator upstream of Customer`s meter due to an increase in pressure required by Customer. Additional regulators required to reduce pressure downstream of Customer`s meter, as may be required by customer`s specific requirements, shall be charged at Actual Cost.</p>
317504	M-8LC	<p>Change Meter Location: Actual Cost.</p> <p>A charge shall be made when Company personnel cannot gain unlimited access to its meter at all times due to actions taken by customer.</p>
317505	M-9LC	<p>Collection Call: \$20.00</p> <p>Collection Call, trip charge or Missed Appointment (Per Trip).</p>
317506	M-10LC	<p>Returned Check Charges, Returned ACH, Declined Credit Card: \$20.00.</p> <p>A charge shall be made for returned check handling charges for each check returned unpaid, ACH returned unpaid or declined, or declined credit card for any reason</p>
317507	M-11LC	<p>New Construction Service Deposits - Residential: \$75</p> <p>A Deposit may be required based on credit inquiry results and/or after disconnection for non-payment, subject to Railroad Commission of Texas rules. If a Deposit is required, then service may not be initiated or restored until the Deposit and other applicable fees have been paid.</p>



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317508	M-12LC	<p>Residential Customer Deposit: AFTER a history has been established</p> <p>Customer Service Deposits shall not exceed one-sixth of the customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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 to be paid within five 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. 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 and no cash deposit shall be required of such applicant under these conditions.</p>
317509	M-13LC	<p>New Construction Small Commercial Deposit: \$250 (Small Commercial customer class only).</p> <p>For purposes of these Miscellaneous Service Charges, Small Commercial customers are defined as commercial customers consuming less than 150 MCF per monthly billing period. A Deposit shall be required for all Small Commercial customers. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.</p>
317510	M-14LC	<p>Small Commercial Customer Deposit: AFTER a history has been established.</p> <p>Customer Service Deposits shall not exceed one-sixth of the Small Commercial customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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.</p> <p>Large Commercial Customer Deposit: Variable (Large</p>

## GAS SERVICES DIVISION

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317511 M-15LC

Commercial customer class only).

For purposes of these Miscellaneous Service Charges, a Large Commercial Customer is defined as any commercial customer consuming more than 150 MCF of gas in any monthly billing period. The initial Deposit shall be based on Company's estimate of the Customer's highest gas consumption month (based on type and size of business) and shall be equal to 2 times the net bill for such month. After 12 months' billing history has been accumulated, an additional or reduced Deposit equal to 2 times the net bill for the highest consumption month in the most recent 12 month period shall be required from the Customer. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.

317512 M-16LC

Line Extension and/or Re-Route Policy: Actual Cost. Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Company's expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customer's side of the meter at customer request. Such gas line extensions shall be made only under the following conditions:

(A) Individual Residential - Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main as well as any length of gas mains in excess of the first 50 feet, or service lines and meter set required for the establishment of service shall be charged to customer at Actual Cost.

(B) Developers of Residential and/or Business Subdivisions -- upon execution of Company's Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company's opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Company's Actual Cost of the necessary gas line extension and related facilities, including gas mains, service

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lines, meters and regulators.  
(C) Other Commercial or other non-residential locations - Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost.

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DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 06/25/2024 ORIGINAL CONTRACT DATE: RECEIVED DATE: 07/11/2024  
 GAS CONSUMED: Y AMENDMENT DATE: OPERATOR NO: 878395  
 BILLS RENDERED: N INACTIVE DATE:

RATE SCHEDULE

SCHEDULE ID                      DESCRIPTION  
 TAXES

TAXES  
 If applicable, in addition to the monthly charges above, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of any governmental levies payable by the Company, exclusive of federal income taxes. The tax adjustment is calculated in accordance with the following formula: tax amount divided by volume (Mcf) billed that month equals tax adjustment, applied per Mcf. From time to time, any tax factor may be adjusted, if required, to account for any over- or under-recovery by the Company and to include an amount equivalent to the proportionate part of any new tax or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Additional Gross Receipts Taxes and/or Franchise Fees applicable within municipalities shall only be charged to customers within the incorporated areas.

RES-MUNI-LC23

AVAILABILITY  
 This schedule is available to residential consumers within the municipal boundaries of the City of League City, Texas receiving natural gas service from UNIGAS (hereinafter called Company).

APPLICATION OF SCHEDULE  
 The Company will provide distribution service for the delivery of gas supply through the Company's facilities to eligible residential customers residing in single family or multi-unit residential dwellings in which each unit requires a separate connection and meter. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery and shall not be resold or shared with others. If the Consumer has a written contract with Company, the terms and provision of such contract shall be controlling.

BASE MONTHLY RATE  
 For bills rendered on and after the effective date of this rate schedule, the monthly billing period rate for each customer receiving service under this rate schedule shall be the sum of the following:

Monthly Customer Charge: \$30.32, which is comprised of the  
 Base Charge: \$21.95 and the  
 Interim Rate Adjustments (IRA) of \$8.37.  
 All Gas Consumed at: \$0.7196 per MCF.

OTHER ADJUSTMENTS  
 Cost of Gas Component: The basic rates for cost of service set forth above shall

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be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule COG.

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

Pipeline Safety Inspection Fee: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety Inspection Fee, Rate Schedule PSFUG.

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

Miscellaneous Service Charges: The billing shall reflect adjustments in accordance with provisions of the Miscellaneous Service Charges, Rate Schedule M. Any applicable Miscellaneous Service Charges where rates for such Miscellaneous Services Charges differ shall be equal to or less than those charges assessed by other gas utilities currently approved to operate in League City, Texas.

CRR2

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC. (UNIGAS)  
CUSTOMER RATE RELIEF RATE SCHEDULE

Applicable to all Sales Customers for the purpose of collecting and remitting customer rate relief charges as authorized by the Railroad Commission of Texas (the Commission) in accordance with Chapter 104, Subchapter I of the Texas Utilities Code and the Commission Financing Order issued in Docket No. OS-21-00007061.

ABBREVIATIONS AND DEFINITIONS

1) Authority - The Texas Public Finance Authority, together with any successor to its duties and functions.

2) Bonds or Customer Rate Relief (CRR) Bonds - The Texas Natural Gas Securitization Finance Corporation Customer Rate Relief Bonds, Series 2023 and any additional or different designation or title by which each series of Bonds shall be known as determined by the Issuer Entity.

3) Ccf and Mcf - For Ccf, one hundred (100) standard cubic feet of gas, where one (1) standard cubic foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen point sixty-five (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for Mcf, 1,000 standard cubic feet of gas.

4) Central Servicer - The entity engaged in accordance with the terms of the Financing Order to, amongst other things, engage the Participating Gas Utilities as collection agents for the purposes of facilitating collection and remittance of CRR Charges by Participating Gas Utilities, and perform the other services required of

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it under the Servicing Agreement (as defined in the Financing Order).

5) Commission - The Railroad Commission of Texas, including its staff or delegate.

6)CRR Charge True-Up Adjustment - A True-Up Adjustment (as defined in the Financing Order).

7)CRR Charge True-Up Charge Adjustment Letter - A true-up adjustment letter substantially in the form of Exhibit 3 to the Financing Order.

8) CRR Scheduled Adjustment Date ` January 1 and July 1 of each applicable year, provided that the CRR Scheduled Adjustment Date and any other deadlines or target dates related thereto, shall be subject to modification prior to the date the Bonds so as to reflect the terms of the Servicing Agreement.

9) Customer Rate Relief (CRR) Charge - A nonbypassable charge as defined in Tex. Util. Code 104.362(7).

10) Financing Order - The order adopted under Tex. Util. Code 104.366 approving the issuance of CRR Bonds and the creation of Customer Rate Relief Property and associated CRR Charges for the recovery of regulatory assets, including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

11) Gas Utility - UniGas and its successors and assignees, an operator of natural gas distribution pipelines that delivers and sells natural gas to the public and that is subject to the Commissions jurisdiction under Tex. Util. Code 102.001, or an operator that transmits, transports, delivers, or sells natural gas or synthetic natural gas to operators of natural gas distribution pipelines and whose rates for those services are established by the Commission in a rate proceeding filed under Chapter 104 of the Utilities Code, within the service area.

12) Irrevocable - The Financing Order, together with the Customer Rate Relief Property as defined by Tex. Util. Code 104.362(8) and the CRR Charge authorized by the Financing Order, are irrevocable and not subject to reduction, impairment, or adjustment by further action of the Commission, except in connection with true-ups authorized by the Financing Order.

13) Issuer Entity - Texas Natural Gas Securitization Finance Corporation, a Texas nonprofit public corporation established by the Authority, or any successor created pursuant to Tex. Govt Code 1232.1072.

14) Large Participating Gas Utility - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and any Participating Gas Utility or Successor Utility (as defined in the Financing

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Order) each of whose Normalized Sales Volumes exceed 2.0% of the total aggregate Normalized Sales Volumes among all Participating Gas Utilities. Any calculation performed in connection with the preceding sentence shall be made on the basis of the most recently reported Normalized Sales Volumes and such calculation shall be performed by the Central Servicer annually no later than one (1) month after Normalized Volumes are reported as regularly scheduled under Paragraph H hereof; provided that the Commission and/or Central Servicer may perform such calculation without any limitation in order to give effect to any merger, acquisition, disposition, divestiture, spin-off or other transaction that would impact a Participating Gas Utility's share of the total aggregate Normalized Sales Volumes. The Commission or the Central Servicer shall promptly thereafter provide written notice to a Participating Gas Utility that subsequently becomes a Large Participating Gas Utility, which change shall take effective beginning on January 1 of the following calendar year.

15) Nonbypassable - CRR Charges must be paid by all existing or future customers receiving service from a Participating Gas Utility or such gas utility's successors or assigns.

16) Normalized Sales Volumes -

a) For Large Participating Gas Utilities: All natural gas volumes projected to be billed for the upcoming twelve (12) month period in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated to calculate the CRR Charges.

b) For other Participating Gas Utilities: All natural gas volumes billed in the preceding calendar year in conjunction with the operation of a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs and normalized according to the methodology utilized in each Participating Gas Utility's application filed in Docket No. OS-21-00007061, Consolidated Applications For Customer Rate Relief and Related Regulatory Asset Determinations In Connection With The February 2021 Winter Storm. For the avoidance of doubt, only the Normalized Sales Volumes of Large Participating Gas Utilities shall be aggregated in order to calculate the CRR Charges.

17) Participating Gas Utilities - Atmos Energy Corporation on behalf of its Mid-Tex Division and West Texas Division; Rockin M Gas LLC d/b/a Bluebonnet Natural Gas LLC; CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas; Corix Utilities (Texas) Inc.; EPCOR Gas Texas Inc.; SiEnergy, LP; Summit Utilities Arkansas, Inc. ; Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area; and Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. or any Successor Utility (as defined in the Financing Order).

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18) Sales Customer(s) - All active customers taking service under a Participating Gas Utility's Purchase Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs.

(B) APPLICABILITY

This rate schedule sets out the rate, terms and conditions under which the CRR Charge shall be billed and collected by UniGas as a Participating Gas Utility for all of its Texas customers under the terms of the Financing Order. Individual Sales Customers are responsible for paying the CRR Charge billed to them in accordance with the terms of this rate schedule. Payment is to be made to the gas utility that bills the customer. The Participating Gas Utility is obligated to apply amounts collected from customers to pay any outstanding CRR Charges prior to applying such amounts for any other purpose. The Participating Gas Utility, as collection agent, shall remit collections of the CRR Charges to the Indenture Trustee in accordance with the terms of the Financing Order and any servicing or other similar agreement that is contemplated by the Financing Order.

(C) TERM This rate schedule shall remain in effect until the CRR Charges have been collected and remitted to the Indenture Trustee in an amount sufficient to satisfy all obligations in regard to paying principal and interest on the CRR Bonds together with all other financing costs, bond administrative expenses and other costs as provided in the Financing Order. This rate schedule and the CRR Charge are irrevocable and nonbypassable.

(D) SALES CUSTOMERS For the purposes of billing the CRR Charges, all Sales Customers of UniGas shall be assessed the uniform volumetric charge identified below.

(E) CRR CHARGE

The CRR Charge will be a monthly volumetric rate of \$1.10/Mcf. The CRR Charge is calculated in accordance with and subject to the provisions set forth in the Financing Order and will be adjusted at least annually based upon the CRR Charge true-up adjustment procedure. The CRR Charge shall be included in the Participating Gas Utility's Purchased Gas Adjustment, Cost of Gas Clause, or other equivalent tariff established for the collection of natural gas costs. Participating Gas Utilities may reflect the CRR Charge according to the delivery pressures defined in Participating Gas Utilities applicable tariffs. Such delivery pressure specific charges shall be equivalent to the CRR Charge as determined below at 14.65 per square inch, as defined above.

(F) DETERMINATION OF CUSTOMER RATE RELIEF CHARGE

The CRR Charge will be adjusted no less frequently than annually, in accordance with the terms of the Servicing Agreement (as defined in the Financing Order), to ensure that the expected collection of CRR Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the CRR Bonds and together with all other financing costs, bond administrative expenses and other costs, as provided in the Financing Order, on a timely basis. The CRR Charge



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shall be computed according to the formula described below.

Step 1: Determination of Normalized Sales Volumes

(A) Total Large Participating Gas Utility Normalized Sales Volumes (Mcf)

(B) Assumed % of uncollectible sales

(C) Total Normalized Sales Volumes Billed and Collected:  $(A * (1 - B))$ .

Step 2: Determination of CRR Charge

(D) Total CRR Charge Rate Revenue Requirement for Applicable Period

(E) CRR Charge per Normalized Sales Volumes (Mcf):  $(D / C)$ .

Thereof: CRR Charge for Sales Customers.

(G) CRR CHARGE TRUE-UP

Changes to the CRR Charge will be effected through the filing of CRR Charge True-Up Adjustment Letters by the Central Servicer to the Commission as authorized by the Financing Order and in accordance with the Servicing Agreement. Not less than fifteen (15) days prior to each CRR Scheduled Adjustment Date and more frequently as required by the Central Servicer, the Central Servicer will submit the CRR Charge True-Up Adjustment Letter in the form of Exhibit 3 to the Financing Order to ensure that CRR Charge collections are sufficient to make all scheduled payments of CRR Bond principal and interest and meet other Ongoing Financing Costs (as defined in the Financing Order) on a timely basis during the payment period.

In addition to the foregoing, the Central Servicer shall be authorized to file CRR Charge True-Up Adjustment Letters with the Commission that adjust the CRR Charge more frequently (but not more often than quarterly) as required under the provisions of the Servicing Agreement (as defined in the Financing Order).

(H) CRR CHARGE TRUE-UP PROCEDURE

UniGas shall annually file with the Commission and the Central Servicer by June 1 of each year its Normalized Sales Volumes; each Large Participating Gas Utility shall include projected volumes for each of the future twelve (12) months beginning July 1, and each other Participating Gas Utility shall include its Normalized Sales Volumes for the prior calendar year. Such filing and/or reporting may be more frequent to the extent required under the Servicing Agreement and applicable Collection and Reporting Arrangements. If UniGas is a Large Participating Gas Utility, the Participating Gas Utility shall, upon the request of the Central Servicer, provide the Commission and the Central Servicer updated Normalized Sales Volumes for the succeeding twelve (12) month period no later than the fifteenth (15th) day following such request to allow the Central Servicer to make Interim True-Up Adjustments. Each Large Participating Gas Utility shall have the right to provide the foregoing information to the Central Servicer on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to

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be agreed). The Central Servicer shall submit to the Commission and the Participating Gas Utilities, not less than fifteen (15) days prior to the CRR Scheduled Adjustment Date, a CRR Charge True-Up Adjustment Letter applying the CRR Charge True-Up Adjustment based on Normalized Sales Volumes and other mathematical factors and requesting administrative approval from the Commission as provided for in the Servicing Agreement. The Commissions review and approval of the True-Up Adjustment Letter shall be as set forth in the Servicing Agreement (it being understood such review is limited to determining if any mathematical or clerical errors are present in the application of the CRR Charge True-Up Adjustment relating to the appropriate amount of any over-collection or under-collection of CRR Charges and the amount of an adjustment).

If any CRR Charge True-Up Adjustment that is an Interim True-Up Adjustment is necessary, (i) the Central Servicer may request and the Large Participating Gas Utilities shall provide revised Normalized Sales Volumes for each of the immediately succeeding twelve (12) months and related data and (ii) within fifteen (15) days of receipt of such data, the Central Servicer shall file a revision to the CRR Rate Schedule in a True-Up Charge Adjustment Letter setting forth the adjusted CRR Charge to be effective for the upcoming period, in accordance with the Servicing Agreement. UniGas shall have the right to provide such information on a confidential basis if reasonably necessary to ensure compliance with applicable securities laws (subject to any (i) legal requirements necessitating the disclosure of such information, including compliance with (A) applicable securities laws and (B) other generally applicable laws and (ii) certain customary restrictions and exceptions to be agreed). A CRR Charge resulting from a true-up adjustment will become effective on the first (1st) billing cycle that is not less than fifteen (15) days following the making of the CRR Charge True-Up Adjustment filing.

(I) TAXABILITY

The receipt of CRR Charges by a Participating Gas Utility is exempt from state and local sales and use taxes and utility gross receipts taxes and assessments and is excluded from revenue for purposes of franchise tax under Tex. Tax Code 171.1011.

Bill rendered on or after 10/01/2023

COG

A. APPLICABILITY

This Cost of Gas Adjustment shall apply to all customer classes receiving natural gas service from Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (hereinafter called Company).

B. DEFINITIONS 1. Cost of Gas - The rate per billing unit or the total calculation under this adjustment, consisting of the Commodity Cost, the Reconciliation Component, any surcharges or refunds, Uncollectible Cost of Gas, and the revenue associated fees and taxes. 2. Commodity Cost - The Cost of Purchased Gas multiplied by the Purchase/Sales Ratio plus an adjustment for any known and quantifiable under or over collection prior to the end of the reconciliation period. 3. Cost of Purchased Gas - The estimated cost for gas purchased by the Company from its

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suppliers or the estimated weighted average cost for gas purchased by the Company from all sources where applicable. Such cost shall include not only the purchase cost of natural gas but shall also include all reasonable costs for services such as gathering, treating, processing, transportation, capacity and/or supply reservation, storage, balancing including penalties, and swing services necessary for the movement of gas to the Company's city gate delivery points. The Cost of Purchased Gas may also include costs related to the purchase and transportation of Renewable Natural Gas (RNG). Renewable Natural Gas is the term used to describe pipeline-quality biomethane produced from biomass. The Cost of Purchased Gas shall not include the cost of financial instruments unless the use of such financial instruments is approved in advance and in writing by the Director of the Oversight and Safety Division of the Railroad Commission of Texas, Gas Services Dept. Such approval would be requested as part of the Company's annual gas purchase plan, which shall be submitted annually to the Commission no later than June 15. 4. Reconciliation Component - The amount to be returned to or recovered from customers each month from October through June as a result of the Reconciliation Audit. 5. Reconciliation Audit - An annual review of the Company's books and records for each 12 month period ending with the production month of June to determine the amount of over or under collection occurring during such 12 month period. The audit shall determine: (a) the total amount paid for gas purchased by the Company (per Section B(3) above) to provide service to its general service customers during the period, including prudently incurred gains or losses on the approved use of natural gas financial instruments, (b) the revenues received from operation of the provisions of this Cost of Gas Adjustment reduced by the amount of revenue associated fees and taxes paid by the Company on those revenues, (c) the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of relevant gas purchases or operation of this Cost of Gas Adjustment, (d) the total amount accrued for imbalances under the transportation rate schedule(s) net of fees and applicable taxes, (e) the total amount of Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, to remove lost and unaccounted for gas costs during the period for volumes in excess of 5 percent of purchases. 6. Purchase/Sales Ratio - A ratio determined by dividing the total volumes purchased for general service customers during the 12 month period ending June 30 by the sum of the volumes sold to general service customers. For the purpose of this computation all volumes shall be stated at 14.65 psia. Such ratio as determined shall in no event exceed 1.0526 i.e. 1/(1 - 0.05) unless expressly authorized by the applicable regulatory authority. 7. Reconciliation Account - The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of the Cost of Gas Adjustment. Entries shall be made monthly to reflect, (a) the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records (per Section B(3) above), including prudently incurred gains or losses on the use of approved natural gas financial instruments, (b) the revenues produced by the operation of this Cost of Gas Adjustment, (c) refunds, payments, or charges provided for herein or as approved by the regulatory authority, (d) amounts accrued pursuant to the treatment of imbalances under any transportation rate schedule(s), (e) total amount of

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Uncollectible Cost of Gas during the period, and (f) an adjustment, if necessary, for lost and unaccounted for gas during the period in excess of 5 percent of purchases. 8. Uncollectible Cost of Gas ` the amounts actually written off after the effective date of this rate schedule related to cost of gas will be tracked along with any subsequent recovery/credits related to the cost of gas adjustment. Annually the charge offs minus recoveries will be included in the annual reconciliation and factored into the resulting reconciliation component.

C. COST OF GAS In addition to the cost of service as provided under its general service rate schedules, the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill. The February 2021 Winter Event Installment Charge, as defined below, shall also be clearly identified on a separate line item on each customer bill while such charge is in effect.

D. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section E below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather, growth, and conservation for the period beginning with the October billing cycle through the June billing cycle preceding the filing of the Reconciliation Audit. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied, subject to refund, for a 9 month period beginning with the October billing cycle and continuing through the next June billing cycle at which time it will terminate.

E. INTEREST ON FUNDS Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit. The Company shall debit or credit to the Reconciliation Account for each month of the reconciliation period: (1) an amount equal to the outstanding over collected balance multiplied by interest of 6 percent per annum compounded monthly; or (2) an amount equal to the outstanding under collected balance multiplied by interest of 6 percent per annum compounded monthly. The Company shall also be allowed to recover a carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the authorized rate of return.

F. SURCHARGE OR REFUND PROCEDURES In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. Any surcharge or refund amount will be included in the Reconciliation Account. Refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers. For the purpose of this Section F, the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set

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forth in Section (E) Interest on Funds, above.

G. COST OF GAS STATEMENT The Company shall file a Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. The Cost of Gas Statement shall set forth (a) the estimated Cost of Purchased Gas; (b) that cost multiplied by the Purchase/Sales Ratio; (c) the amount of the Cost of Gas caused by any surcharge or refund; (d) the Reconciliation Component; (e) the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas; (f) the Cost of Gas calculation, including gains and losses from approved hedging activities for the month; and (g) the beginning and ending date of the billing period. The statement shall include all data necessary for the Regulatory Authority to review and verify the calculations of the Cost of Gas. The Cost of Gas Statement shall also include the data and calculations set forth in Section I below with respect to the February 2021 Winter Event Regulatory Asset and the February 2021 Winter Event Installment Charge, as defined herein.

H. ANNUAL RECONCILIATION REPORT The Company shall file an Annual Reconciliation Report with the Regulatory Authority which shall include but not necessarily be limited to: 1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the 12 months ending June 30. 2. A tabulation of gas units sold to general service customers and related Cost of Gas Adjustment revenues. 3. A tabulation of all other costs and refunds made during the year and their effect on the Cost of Gas Adjustment to date. 4. A description of the hedging activities conducted each month during the twelve months ending June 30, including the types of transaction used, resulting gains and losses, any changes in the hedging program implemented during the period and the rationale for the changes. The report should include the customer impact of hedging activities stated as costs to the average residential and commercial customer during the period. 5. A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances incurred, the monthly balances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period. 6. A tabulation of uncollectible cost of gas during the period and its effect on the Cost of Gas Adjustment to date. This report shall be filed concurrently with the Cost of Gas Statement for October. If the Regulatory Authority thereafter determines that an adjustment to the Reconciliation Component is required, such adjustment shall be included in the Reconciliation Component for the next annual Reconciliation Audit following the date of such determination.

I. FEBRUARY 2021 WINTER EVENT INSTALLMENT CHARGE In recognition of the extraordinary gas costs necessary to provide service during the February 2021 winter storm event and the potential financial impact to its customers, the Company is authorized and directed to defer, as a regulatory asset, its principal costs of Cost of Gas with respect to service provided during the month of February 2021 only (February 2021 Winter Event Regulatory Asset). The Company shall be entitled to book a separate regulatory asset associated with its carrying costs based on its

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**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

cost of long-term debt, as approved by the Commission in the Company's most recent base rate proceeding in Docket OS-20-00004865 (5.31 percent), associated with any unrecovered monthly balance of its principal or carrying costs related to the February 2021 Winter Event Regulatory Asset (February 2021 Winter Event Carrying Costs); however, the recovery mechanism for the February 2021 Winter Event Carrying Costs will be set in a subsequent proceeding. The February 2021 Winter Event Regulatory Asset, exclusive of the February 2021 Winter Event Carrying Costs, shall be amortized and recovered from customers in installments, separate from the other charges and adjustments authorized in this Rate Schedule COG, that shall be applied as follows (February 2021 Winter Event Installment Charge): The February 2021 Winter Event Regulatory Asset shall be amortized in equal installments over a period of 18 months (Fixed Monthly Recovery Installment). The volumetric-based installment charge for each of these 18 months shall be computed by dividing the Fixed Monthly Recovery Installment to be recovered from customers in that calendar month by the Company's total volumes of gas sold to general service customers in the calendar month subject to that bill. The resulting amount per Mcf shall then be multiplied by the customer's actual gas usage in Mcf during that month to determine the customer's total installment charge amount owed for that month. In the event that the Company elects to participate in a securitization of its February 2021 Winter Event Regulatory Asset, the February 2021 Winter Event Installment Charge shall terminate with respect to the portion of the February 2021 Winter Event Regulatory Asset so securitized.

**PSFUG2023**

The Company will pass on the one-time customer charge for the Pipeline Safety Inspection Fee in the amount of \$0.96 for each service line reported to be in service at the end of calendar year 2023, pursuant to the Texas Utilities Code 121.211 and the Commission's Rules and Regulations. The Pipeline Safety Inspection Fee is based on the amount of \$1.00 per service line, as specified by the Railroad Commission of Texas.

**RATE ADJUSTMENT PROVISIONS**

None

**CUSTOMERS**

<u>RRC CUSTOMER NO</u>	<u>CONFIDENTIAL?</u>	<u>BILLING UNIT</u>	<u>PGA CURRENT CHARGE</u>	<u>PGA EFFECTIVE DATE</u>
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43447

N

CUSTOMER NAME

Municipal Customers located in the city of League City

**REASONS FOR FILING**

NEW?: Y

RRC DOCKET NO:

CITY ORDINANCE NO:

AMENDMENT (EXPLAIN):

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OTHER(EXPLAIN):

SERVICES

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

PREPARER - PERSON FILING

RRC NO: 469 ACTIVE FLAG: Y INACTIVE DATE:  
 FIRST NAME: Amy MIDDLE: L LAST NAME: Doyal  
 TITLE: Director Regulatory Compliance  
 ADDRESS LINE 1: 9750 FM 1488  
 ADDRESS LINE 2:  
 CITY: Magnolia STATE: TX ZIP: 77354 ZIP4: 1619  
 AREA CODE: 281 PHONE NO: 252-6700 EXTENSION:

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CURTAILMENT PLAN

<u>PLAN ID</u>	<u>DESCRIPTION</u>
489	Universal Natural Gas, Inc. has adopted Gas Utilities Docket No. 489  <div style="text-align: right;">RAILROAD COMMISSION OF TEXAS OIL AND GAS DIVISION GAS UTILITIES</div> DIVISION  OIL AND GAS DOCKET  <div style="text-align: center;">GAS UTILITIES DIVISION</div> NO. 20-62,505  <div style="text-align: center;">DOCKET NO. 489</div>

ORDER

RELATING TO THE APPROVAL BY THE COMMISSION OF CURTAILMENT PROGRAMS FOR NATURAL GAS TRANSPORTED AND SOLD WITHIN THE STATE OF TEXAS

After due notice the Railroad Commission of Texas on the 30th day of November, 1972, heard testimony and requested written curtailment priorities from representatives of investor owned and municipal gas utilities companies, private industry consumers and others responsible for directing available natural gas supplies to the consumers of natural gas in the State of Texas.

WHEREAS, pursuant to the authority granted to the Railroad Commission of Texas in Article 6050 to 6066, inclusive, R.C.S., as amended; and

WHEREAS, the Commission has determined the need for a curtailment program to assure effective control of the flow of natural gas to the proper destinations to avoid suffering and hardship of domestic consumers; and

WHEREAS, the Commission has determined a need to make natural gas available to all gas consumers on a reasonable but limited basis during times of needed curtailment to the end that the public will be best served; and

WHEREAS, the Commission has determined that the transportation delivery and/or sale of natural gas in the State of Texas for any purpose other than human need consumption will be curtailed to whatever extent and for whatever periods the Commission may find necessary for the primary benefit of human needs customers (domestic and commercial consumption) and such small industries as cannot practically be curtailed without curtailing human needs.

IT IS THEREFORE, ORDERED BY THE RAILROAD COMMISSION OF TEXAS that the following rules relating to the approval by the Commission of curtailment programs for gas transported and sold within the State of Texas shall apply to all parties responsible for directing available and future natural gas supplies to the consumers of natural gas in the State of Texas.

RULE 1.

Every natural gas utility, as that term is defined in Article 6050, R.C.S. of Texas, as amended, intrastate operations only, shall file with the Railroad Commission on or before Feb. 12, 1973, its curtailment program. The Commission may approve the program without a hearing;



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set the matter for a public hearing on its own motion or on the motion of any affected customer of said utility.

The curtailment program to be filed shall include, in verified form, the following information:

A. Volume of gas reserves attached to its system together with a brief description of each separate source of gas reserves setting forth the following:

1. the name of the supplier,
2. the term of each contract in years, and the years remaining on said contract,
3. the volume of recoverable reserve contracted for, and
4. rated deliverability of such reserves in MCF.

B. Capacity and location of underground storage, if any, attached to its system with a statement of whether the company's storage balance is above or below its desired level for this time, and, if below, what plans has the company made to restore the balance.

C. Peak day and average daily deliverability on an annual basis of its wells, gas plants and underground storage attached to its system.

D. Peak day capacity of its system.

E. Forecast of additions to reserves for each of the next two succeeding years.

F. Location and size of the line pipes, compressor stations, operating maximum line pressures, and a map showing delivery points along the system.

G. Disposition of all gas entering its system, with names of all customers other than residential customers and volumes delivered to each during the past calendar year. Identify those customers using 3,000 MCF gas per day, or more, which are under a service contract, and if such contract includes an Interruptible Service clause, and if so, attach a reproduced copy of the relevant provisions of such contract.

H. Steps taken in past years, being taken at the present, and to be taken to alleviate curtailments. RULE 2. Until such time as the Commission has specifically approved a utilities curtailment program, the following priorities in descending order shall be observed: A. Deliveries for residences, hospitals, schools, churches and other human needs customers. B. Deliveries of gas to small industrials and regular commercial loads (defined as those customers using less than 3,000 MCF per day) and delivery of gas for use as pilot lights or in accessory or auxiliary equipment essential to avoid serious damage to industrial plants. C. Large users of gas for fuel or as a raw material where an alternate cannot be used and operation and plant production would be curtailed or shut down completely when gas is curtailed. D. Large users of gas for boiler fuel or other fuel users where alternate fuels can be used. This category is not to be determined by whether or not a user has actually installed alternate fuel facilities, but whether or not an alternate fuel could be used. E. Interruptible sales made subject to interruption or curtailment at Seller's sole discretion under contracts or tariffs which provide in effect for the sale of such gas as Seller may be agreeable to selling and Buyer may be agreeable to buying from time to time. RULE 3. Each gas utility that has obtained Commission approval of a curtailment program shall conduct operations in compliance with such program. So long as any gas utility which has obtained Commission approval of a curtailment program continues to curtail deliveries to its customers, except as provided by contract or

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those customers included in Part E of Rule 2 above, it (a) shall file on or before April 1 of each year, under oath, the information called for in Rule 1, for the preceeding year, and (b) shall not, without Commission approval, make sales of gas to any new customers or increase volumes sold to existing customers, except those new or existing customers defined in Parts A & B of Rule 2 above. IT IS FURTHER ORDERED that this cause be held open for such other and further orders as may be deemed necessary. ENTERED AT AUSTIN, TEXAS, this 5th day of January, 1973.

**LINE EXTENSION POLICY**

<u>POLICY ID</u>	<u>DESCRIPTION</u>
1244	Developers of Residential and/or Business Subdivisions -- upon execution of Company`s Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company`s opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Companys Actual Cost of the necessary gas line extension(s) and related facilities, including gas mains, service lines, meters and regulators
1245	Other Commercial, Industrial or other non-residential locations ` Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost
1242	Line Extension and/or Re-Route Policy: Actual Cost Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Companys expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customers side of the meter at customer request
1243	Individual Residential ` Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load. Tapping of Company main and any length of gas mains in excess of the first 50 feet, or service lines, yard lines, and meter set required for the establishment of service, shall be charged to customer at Actual Cost

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**QUALITY OF SERVICE**

<u>QUAL_SERVICE ID</u>	<u>DESCRIPTION</u>
QSR_3	<p>RULE Section 7.45 Quality of Service;</p> <p>(D) Disputed bills.</p> <p>(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.</p> <p>(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.</p> <p>(7) Meters.</p> <p>(A) Meter requirements.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(B) Meter records. Each utility must keep the following records:</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(iv) Meter tests on request of customer.</p> <p>(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</p>

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utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

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

(v) Bill adjustments due to meter error.

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

(8) New construction.

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

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

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

QSR\_1

RULE Section 7.45 Quality of Service;

For gas utility service to residential and small commercial customers, the following minimum

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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.

(1) Continuity of service.

(A) Service interruptions.

(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.

(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.

(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.

(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.

(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.

(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;

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

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

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

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

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish: (I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules; (II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable; (III) the time allowed to pay outstanding bills; (IV) grounds for termination of service; (V) the steps the utility must take before terminating service; (VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service; (VII) information on alternative payment plans offered by the utility; (VIII) the steps necessary to have service reconnected after involuntary termination; (IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority; (X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and (XI) the customer's right to be instructed by the utility how to read his or her meter; (vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

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

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

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

(i) Every deferred payment plan entered into due to the customer's inability to pay the

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outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

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

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

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

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

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

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to: (I) a utility that assesses late payment charges on residential customers and that suspends 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

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state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

- (i) Applicant`s facilities inadequate. If the applicant`s installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.
- (ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.
- (iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

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

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

QSR\_2 RULE Section 7.45 Quality of Service; (vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

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

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

(C) A customer`s utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit of the disconnect notice in the United States mail, postage prepaid or hand delivery of the disconnect notice to the customer at least five working days prior to the stated date of disconnection, with the words Termination Notice or



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similar language prominently displayed on the notice. Emailed disconnect notices may be provided in addition to deposit of the disconnect notice in the United States mail, postage prepaid or hand delivery to the customer. 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;
- (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

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bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

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

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

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

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

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

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

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, .571.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

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

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

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

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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 for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

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

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

(6) Billing.

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

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

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

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

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## SERVICE CHARGES

<u>RRC CHARGE NO.</u>	<u>CHARGE ID</u>	<u>CHARGE AMOUNT</u>	<u>SERVICE PROVIDED</u>
317483	M-4LC		Charge for Temporary Discontinuance of Service, Residential: \$20.00 Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.
317484	M-5LC		Charge for Temporary Discontinuance of Service, Commercial: \$20.00 Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.
317485	M-6LC		Charge for Meter Testing: \$15.00 The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. The customer must be properly informed of the result of any test on that customer's meter. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee if the meter is not more than 2% out of calibration.
317486	M-7LC		Change Regulator Pressure and Additional Regulators: \$50.00/Actual Cost A \$50.00 charge shall be made to change the pressure of the regulator upstream of Customer's meter due to an increase in pressure required by Customer. Additional regulators required to reduce pressure downstream of Customer's meter, as may be required by customer's specific requirements, shall be charged at Actual Cost.
317487	M-8LC		Change Meter Location: Actual Cost. A charge shall be made when Company personnel cannot gain unlimited access to its meter at all times due to actions taken by customer.
317488	M-9LC		Collection Call: \$20.00 Collection Call, trip charge or Missed Appointment (Per Trip).
317489	M-10LC		Returned Check Charges, Returned ACH, Declined Credit

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317490	M-11LC	<p>Card: \$20.00.</p> <p>A charge shall be made for returned check handling charges for each check returned unpaid, ACH returned unpaid or declined, or declined credit card for any reason</p>
317491	M-12LC	<p>New Construction Service Deposits - Residential: \$75</p> <p>A Deposit may be required based on credit inquiry results and/or after disconnection for non-payment, subject to Railroad Commission of Texas rules. If a Deposit is required, then service may not be initiated or restored until the Deposit and other applicable fees have been paid.</p>
317492	M-13LC	<p>Residential Customer Deposit: AFTER a history has been established</p> <p>Customer Service Deposits shall not exceed one-sixth of the customer`s annual billings where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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 to be paid within five 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. 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 and no cash deposit shall be required of such applicant under these conditions.</p>
317493	M-14LC	<p>New Construction Small Commercial Deposit: \$250 (Small Commercial customer class only).</p> <p>For purposes of these Miscellaneous Service Charges, Small Commercial customers are defined as commercial customers consuming less than 150 MCF per monthly billing period. A Deposit shall be required for all Small Commercial customers. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.</p> <p>Small Commercial Customer Deposit: AFTER a history has been established.</p> <p>Customer Service Deposits shall not exceed one-sixth of the Small Commercial customer`s annual billings</p>

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where there is at least twelve months of billing history. If the customer has less than twelve months billing history then the amount of the Customer Service 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.

317494 M-15LC

Large Commercial Customer Deposit: Variable (Large Commercial customer class only).  
 For purposes of these Miscellaneous Service Charges, a Large Commercial Customer is defined as any commercial customer consuming more than 150 MCF of gas in any monthly billing period. The initial Deposit shall be based on Company's estimate of the Customer's highest gas consumption month (based on type and size of business) and shall be equal to 2 times the net bill for such month. After 12 months' billing history has been accumulated, an additional or reduced Deposit equal to 2 times the net bill for the highest consumption month in the most recent 12 month period shall be required from the Customer. The Deposit shall be held and regulatory interest shall be paid thereon during the continuation of service to the customer.

317495 M-16LC

Line Extension and/or Re-Route Policy: Actual Cost. Gas main, service line, and yard line installations, re-routes, or extensions shall be made at Company's expense only where the probable use of all facilities necessary for such service will provide a reasonable and compensatory return to Company on the value of such facilities. In all other cases, Company may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all Actual Cost of extending its existing pipeline system to serve a new customer. Yard line includes customer-owned gas lines installed on customer's side of the meter at customer request. Such gas line extensions shall be made only under the following conditions:

(A) Individual Residential - Company shall only be required to extend distribution mains up to fifty (50) feet for any individual residential customer if such customer, at a minimum, uses gas for unsupplemented space heating and water heating or an equivalent load.

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317480	M-1LC	<p>Tapping of Company main as well as any length of gas mains in excess of the first 50 feet, or service lines and meter set required for the establishment of service shall be charged to customer at Actual Cost.</p> <p>(B) Developers of Residential and/or Business Subdivisions -- upon execution of Company's Natural Gas System Development and Distribution Agreement, or under special circumstances where, in Company's opinion, such form is not appropriate, upon execution of a special agreement providing for satisfactory conditions for reimbursement to Company for Company's Actual Cost of the necessary gas line extension and related facilities, including gas mains, service lines, meters and regulators.</p> <p>(C) Other Commercial or other non-residential locations - Tapping of Company main and any length of gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost.</p>
		<p>Application for Service: \$35.00.</p> <p>A charge shall be made for new customer account set-up, and credit inquiry, including special meter reading.</p>
317481	M-2LC	<p>Reconnection Charge During Normal Business Hours: \$40.00.</p> <p>During normal business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, subject to the following exceptions:</p> <p>(a) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or</p> <p>(b) For any reason deemed necessary for Company operations.</p>
317482	M-3LC	<p>NOTE: The charges will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including, but not limited to inability to access the premises, failure of the appliances to meet required specifications, or failure of customer piping to pass a pressure test.</p> <p>Reconnection Charge After Business Hours: \$47.00</p> <p>After standard business hours, there shall be a charge for applicable services set forth in M-2.</p> <p>NOTE: The charge will also apply in the event that the</p>



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