

M-14 New Construction Small Commercial Deposit: \$250.00 (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.

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.

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 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.

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.

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.

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 ¾” 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 ¾” service line in the event that bores, rocky ground, 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.

M-20 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.

M-21 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 gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost.

M-22 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.

M-23 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.

M-24 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.

M-25 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.

M-26 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.

M-27 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).

-END OF SCHEDULE M-

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.

RATE CASE EXPENSE (RCE)

RATE SCHEDULE 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.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.

TAX ADJUSTMENT

RATE SCHEDULE 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.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
RATE SCHEDULE - LINE EXTENSION POLICY

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 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.
- 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(s) 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.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
RATE SCHEDULE QSR - QUALITY OF SERVICE

RULE Section 7.45 Quality of Service (as supplemented herein);

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.

(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;
- (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 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 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

(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 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 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, 71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

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

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

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

is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

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

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

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

(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.

(D) Disputed bills.

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

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

(7) Meters.

(A) Meter requirements.

(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 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.

EXHIBIT B

Universal Natural Gas, LLC Statement of Intent

OS-20-00004865 Consolidated UniGas

Settlement Exhibit B - Proof of Revenues

Line No.	Description	Billing Determinants	Settlement Base Rates	Settlement Revenues
	(a)	(b)	(c)	(d)
1	Universal Natural Gas			
2	Residential Bills	215,508 \$	18.00 \$	3,879,144
3	Small Commercial Bills	3,060	45.00	137,700
4	Large Commercial Bills	192	175.00	33,600
5	Residential Volumes	893,452	3.14	2,805,439
6	Commercial Volumes	138,022	2.91	401,644
7	Total Universal Base Revenues			7,257,527
8	Universal Miscellaneous Service Charge Revenues			374,734
9	Total Universal Revenue Requirement			\$ 7,632,261

Note: Settlement Revenues column does not equal agreed base rate revenue requirement amount of \$7,253,596 or agreed total revenue requirement amount of \$7,628,369 due to rounding.

Revenue Distribution by Class	Customer	Volumetric	Total	Allocation %
(a)	(b)	(c)	(d)	(e)
10 Residential	\$ 3,879,144	\$ 2,805,439	\$ 6,684,583	92.11%
11 Small Commercial	137,700	200,822	338,522	4.66%
12 Large Commercial	33,600	200,822	234,422	3.23%
13 Total	\$ 4,050,444	\$ 3,207,083	\$ 7,257,527	100.0%

EXHIBIT C

Universal Natural Gas, L.L.C. Statement of Intent
 OS-20-00004865 Consolidated UniGas
 Settlement Exhibit C - Net Plant and Depreciation Rate by Account

Line No.	Description	FERC Account	Plant Balance	Accumulated Depreciation	Net Plant	Depreciation Rate
	(a)	(b)	(c)	(d)	(e)	(f)
1	Consolidated UniGas					
2	Organization	301.00	\$ -	\$ -	-	
3	Franchises and Consents	302.00	76,315	23,327	52,988	1.08%
4	Misc. Intangible Plant	303.00	205,311	90,426	114,885	2.90%
5	Subtotal: Intangible Plant		281,626	113,753	167,873	
6	Land and Land Rights	374.00	754,711	41,576	713,136	2.90%
7	Mains	376.00	17,782,759	2,980,268	14,802,491	2.23%
8	Measure & Reg. Station - General	378.00	1,662,341	438,370	1,223,971	2.48%
9	Services	380.00	2,388,313	809,243	1,579,070	2.36%
10	Meters	381.00	4,350,716	1,267,979	3,082,737	3.31%
11	Meters - AMR	381.00				6.60%
12	House Regulators	383.00	774,948	237,299	537,649	2.72%
13	Subtotal: Distribution Plant		27,713,789	5,774,735	21,939,054	
14	Land and Land Rights	389.00	-	-	-	
15	Structures and Improvements	390.00	165,839	70,503	95,336	14.29%
16	Office Furniture & Equipment	391.00	648,828	309,293	339,535	5.00%
17	Computer Equipment	391.10				33.33%
18	Transportation Equipment	392.00	572,231	243,272	328,959	14.29%
19	Tools, Shop and Garage	394.00	147,977	62,909	85,068	14.29%
20	Power Operated Equipment	396.00	49,859	49,859	-	12.50%
21	Communication Equipment	397.00	-	-	-	6.67%
22	Misc. Equip	398.00	153,502	153,502	-	4.00%
23	Subtotal: General Plant		1,738,236	889,338	848,898	
24	Total Consolidated UniGas		29,733,651	6,777,826	22,955,825	

EXHIBIT D

DOCKET NO. OS-20-00004865

STATEMENT OF INTENT TO	§	BEFORE THE
INCREASE AND CONSOLIDATE	§	
GAS UTILITY RATES WITHIN	§	
THE UNINCORPORATED AREAS	§	
SERVED BY UNIVERSAL	§	RAILROAD COMMISSION
NATURAL GAS, INC.; GAS	§	
ENERGY, LLC; ENERTEX NB,	§	
LLC; AND CONSUMERS GAS	§	
COMPANY, INC.	§	OF TEXAS

DOCKET NO. OS-20-00004866

STATEMENT OF INTENT TO	§	BEFORE THE
INCREASE AND CONSOLIDATE	§	
GAS UTILITY RATES FOR HOOKS	§	RAILROAD COMMISSION
GAS PIPELINE, LLC, 1486 GAS	§	
PIPELINE, LLC AND TEXAS GAS	§	OF TEXAS
PIPELINE COMPANY, LLC	§	

AFFIDAVIT REGARDING RATE CASE EXPENSES

STATE OF TEXAS	§
	§
COUNTY OF TRAVIS	§

BEFORE ME, the undersigned authority, on this day personally appeared Michael J. Tomsu, who, being by me first duly sworn, on oath deposed and said the following:

1. My name is Michael J. Tomsu. I am over 18 years of age, of sound mind, and fully competent to make this affidavit. Each statement of fact herein is true to the best of my personal knowledge.
2. I am a partner in the law firm of Vinson & Elkins LLP, and have been with the firm since 1986. My law practice encompasses the utility regulatory landscape at the state and federal level, with a particular emphasis on Texas. My practice includes the representation of natural gas distribution companies, pipeline companies, renewable energy companies, and telecommunications utilities. I have more than 30 years of experience in contested case, rulemaking and regulatory compliance matters before the Public Utility Commission of Texas, the Railroad Commission of Texas ("Commission"), the Federal Communications Commission and other state and federal regulatory agencies.

3. Vinson & Elkins LLP has been retained by (i) Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc., Consumers Gas Company, LLC d/b/a Consumers Gas Company, Inc., EnerTex NB, LLC, and Gas Energy, LLC (collectively, "Consolidated UniGas") in Docket No. OS-20-0004865, and by (ii) Hooks Gas Pipeline, LLC, Texas Gas Pipeline Company, LLC, and 1486 Gas Pipeline, LLC (collectively, "Consolidated Hooks") in Docket No. OS-20-0004866, and currently serves as counsel of record in the above-captioned proceedings (the "Rate Cases").
4. Alliance Consulting Group, Financial Concepts and Applications, Inc., GDS Associates, Inc., Villarcab and Associates, Inc., and Stablemade Group (collectively, the "Consultants") have been retained by UniGas to serve as consultants regarding the Rate Cases. In addition, Seitz, DeMarco & McGovern, PLLC, and Randy Wilcher Enterprises have provided services or incurred costs reasonable and necessary to prosecuting the Rate Cases.
5. Attached to this Affidavit are a summary spreadsheet along with invoices supporting a total of \$1,349,288.88 in actual expenses incurred by Consolidated UniGas and Consolidated Hooks in the Rate Cases as of December 31, 2020.
6. In the above-captioned Consolidated UniGas proceeding, Vinson & Elkins LLP has provided legal services that were reasonable and necessary for the filing and defense of UniGas' Statement of Intent to increase and consolidate rates. These services included preparing testimony and exhibits, conducting pre-hearing matters, responding to numerous Requests for Information from the Staff of the Railroad Commission of Texas ("Staff"), negotiating discovery disputes with Staff, drafting various pleadings, negotiating a comprehensive settlement, and coordinating with the Consultants and Consolidated UniGas regarding each of these services.
7. In the above-captioned Consolidated Hooks proceeding, Vinson & Elkins LLP has provided legal services that were reasonable and necessary for the filing and defense of Consolidated Hooks' Statement of Intent to increase and consolidate rates. These services included preparing testimony and exhibits, conducting pre-hearing matters, responding to numerous Requests for Information from the Staff, negotiating discovery disputes with Staff, drafting various pleadings, negotiating a comprehensive settlement, and coordinating with the Consultants and Consolidated Hooks regarding each of these services.
8. I have reviewed Vinson & Elkins LLP's invoices submitted to Consolidated UniGas and Consolidated Hooks for the legal services detailed in Paragraph 5 and performed in connection with the Rate Cases and affirm that these invoices accurately reflect the reasonable and necessary expenditures incurred by Vinson & Elkins LLP to prosecute the Rate Cases on behalf of Consolidated UniGas and Consolidated Hooks. Vinson & Elkins LLP's billings and rates charged are reasonable and consistent with those billed by other legal service providers for similar work. At the request of Consolidated UniGas and Consolidated Hooks, Vinson & Elkins agreed to discount the price of legal services performed in connection with the Rate Cases. As such, the rate case expenses for legal services that are attached to this Affidavit include a 22% discount off of the standard billable rates that Vinson & Elkins typically charges. The rates charged by Vinson &

Elkins LLP's attorneys that have assisted in this matter are also consistent with the rates charged by other professionals with the same level of expertise and experience. The number of attorneys working on this matter was commensurate with the complexity of the Rate Cases and the attorneys performed work in an efficient manner. I affirm that the calculation of charges is correct and that there are no charges for duplication of services or double billing of charges.

9. The invoices provided by the Consultants to prosecute the Rate Cases describe the nature of the services provided, the time and/or labor necessary to accomplish the work, and the charges associated with the completed work. Based on my experience in proceedings of this nature, the charges incurred by Consolidated UniGas and Consolidated Hooks for these services are aligned with the difficulty of the work performed and the complexity of the issues in the Rate Cases. I affirm to the best of my knowledge that the calculation of charges is correct and that there are no charges for duplication of services or double billing of charges.
10. Based on my experience in proceedings of this nature, the current status of the Rate Cases, and knowledge of the limited issues likely to be raised as this proceeding continues, I estimate that Consolidated UniGas and Consolidated Hooks will incur additional rate case expenses in order to complete prosecution of the Rate Cases. However, as part of the terms of settlement of these two proceedings, Consolidated UniGas and Consolidated Hooks seek recovery of total rate case expenses equal to \$1,250,000. Costs specific to each rate case were allocated to that respective rate case while costs that were incurred to prosecute the Rate Cases collectively will be split evenly between Consolidated UniGas and Consolidated Hooks. Paragraph 13 and the supporting spreadsheet attached to this affidavit provide a breakdown of this cost allocation.
11. Consolidated UniGas and Consolidated Hooks have incurred and expect to continue to incur rate case expenses for the period beginning January 1, 2021, and ending at the conclusion of these proceedings. Each of Consolidated UniGas and Consolidated Hooks expects to incur an additional \$45,000 in rate case expenses. However, subject to approval of the \$1.25 million in requested rate case expenses discussed in Paragraph 10, Consolidated UniGas and Consolidated Hooks are not seeking recovery of these estimated rate case expenses.
12. I am familiar with the Commission Rule, 16 Tex. Admin. Code §7.5530, which details allowable rate case expenses. Based on my experience and review of both the services provided and invoices of my firm, the Consultants and the other entities listed in Paragraph 3 of this Affidavit, I believe that the services provided were reasonable and necessary and that the time and labor expended was reasonable and proportionate to the difficulty and complexity of prosecuting the Rate Cases.
13. Subject to the \$1.25 million in requested rate case expenses discussed in Paragraph 10, the total amount of reasonably and necessarily incurred required regulatory expenses, litigation expenses and estimated expenses for Consolidated UniGas and Consolidated Hooks in the Rate Cases, for work performed through December 31, 2020, are as follows:

Consolidated UniGas

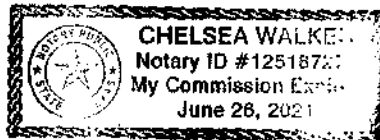
Required Regulatory Expenses	Litigation Expenses	Total Rate Case Expenses
\$525,968.84	\$244,605.51	\$770,574.35

Consolidated Hooks

Required Regulatory Expenses	Litigation Expenses	Total Rate Case Expenses
\$441,806.94	\$136,907.60	\$578,714.54


Michael J. Tomsu

Sworn to and subscribed before me on the 11th day of February, 2021, by Michael J. Tomsu, to certify which witness my hand and seal of office.




Notary Public, State of Texas

Rate Case 2020 Summary

Vendors	Sum of Total
Alliance Consulting Group	\$ 50,208.75
Financial Concepts and Applications Inc	\$ 15,750.00
GDS Associates, Inc.	\$ 186,794.82
Randy Wilcher Enterprises, Inc	\$ 19,875.44
Ross Buttermore*	\$ 260.56
Seitz, DeMarco & McGovern, PLLC	\$ 39,415.00
Stablemade Group, LLC	\$ 5,000.00
Villareal & Associates, Inc	\$ 44,600.00
Vinson & Elkins, LLP	\$ 987,384.31
Grand Total	\$1,349,288.88

*Mileage and expenses for rate case related travel Sept 2020

Allocation of Rate Case Expenses

UniGas Regulatory Expenses		
Vendor	Invoice Date	Amount
Randy Wilcher	22-Nov	\$19,875.44
VE	29-May	\$25,239.16
VE	15-Jun	\$20,011.40
VE	17-Jul	\$44,889.97
VE	13-Aug	\$25,642.30
VE	14-Sep	\$38,045.28
VE	28-Oct	\$88,062.87
VE	24-Nov	\$77,275.38
GDS	20-May	\$675.00
GDS	15-Jun	\$2,179.00
GDS	8-Jul	\$6,855.00
GDS	18-Aug	\$14,576.56
GDS	11-Sep	\$29,993.00
GDS	8-Oct	\$33,508.82
GDS	10-Nov	\$24,810.00
Total:		\$451,639.18

Hooks Regulatory Expenses		
Vendor	Invoice Date	Amount
VE	29-Apr	\$21,936.21
VE	15-Jun	\$19,029.97
VE	17-Jul	\$44,889.97
VE	13-Aug	\$27,635.20
VE	14-Sep	\$38,045.28
VE	28-Oct	\$88,062.87
VE	24-Nov	\$79,268.28
GDS	20-May	\$135.00
GDS	15-Jun	\$607.50
GDS	8-Jul	\$3,485.00
GDS	18-Aug	\$6,412.50
GDS	11-Sep	\$12,067.00
GDS	8-Oct	\$14,882.50
GDS	10-Nov	\$11,020.00
Total:		\$367,477.28

Allocated 50/50		
Vendor	Amount	Reg or Lit
Alliance	\$ 50,208.75	Reg
Financial Concepts and Applications	\$ 15,750.00	Reg
Buttermore	\$ 260.56	Reg
SDMP	\$ 39,415.00	Reg
Stablemade	\$ 5,000.00	Reg
Villareal and Associates	\$ 44,600.00	Reg: \$38,025 ; Lit: \$6,575
	\$ 155,234.31	
Total Reg	\$	
Total Lit	\$	

UniGas Litigation Expenses		
Vendor	Invoice Date	Amount
VE	24-Nov	\$50,940.63
VE	22-Dec	\$88,336.30
VE	12-Jan	\$84,261.84
GDS	10-Nov	\$3,584.24
GDS	17-Dec	\$6,165.00
GDS	11-Jan	\$8,030.00
Total:		\$241,318.01

Hooks Litigation Expenses		
Vendor	Invoice Date	Amount
VE	24-Nov	\$25,071.54
VE	22-Dec	\$49,400.65
VE	12-Jan	\$51,339.21
GDS	10-Nov	\$2,928.70
GDS	17-Dec	\$1,535.00
GDS	11-Jan	\$3,345.00
Total:		\$133,620.10

UniGas Regulatory \$525,968.84
 UniGas Litigation \$244,605.51
 \$770,574.35

Hooks Regulatory \$441,806.94
 Hooks Litigation \$136,907.60
 \$578,714.54

Check: \$1,349,288.88

Universal Natural Gas, LLC
Transaction Detail by Account
All Transactions

Combined Rate Case Expenses

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Universal Natural Gas, LLC
Transaction Detail by Account
All Transactions

Item Number	Date	Entry of Invoice in the	Num	Name	Mem	Split	Total	Notes
1A	07/01/2021	✓	26-7029	Alliance Consulting Group	2021 Expense Billing Entry Rate Range	210 - Amount Together	\$ 0,002.80	Amount together
1B	7/1/2021	✓	26-7029	Alliance Consulting Group	2021 Expense Billing Entry Rate Range Administrative	210 - Amount Together	\$ 007.50	Amount together
1C	8/2/2021	✓	3. 3323	Alliance Consulting Group	2021 Expense Billing Entry Rate Range	210 - Amount Together	\$ 10,000.00	Amount together
1D	8/2/2021	✓	3. 3919	Alliance Consulting Group	2021 Expense Billing Entry Rate Range	210 - Amount Together	\$ 22,591.25	Amount together
1E	10/1/2021	✓	3. 1321	Alliance Consulting Group	2021 Expense Billing Entry Rate Range	210 - Amount Together	\$ 7,207.00	Amount together
1F	10/25/2021	✓	3/7/25	Financial Concepts and Applications, Inc.	Professional Fee Rate Range Entry Rate Range	210 - Amount Together	\$ 14,625.00	Amount together
1G	10/21/2021	✓	3/10/22	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 675.00	Rate Range - Invoice Billing vs. CAV is allocated to 01/12/21
1H	10/21/2021	✓	3/10/22	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 170.00	Rate Range - Invoice Billing vs. CAV is allocated to 01/12/21
1I	06/30/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 6,886.00	Rate Range - Invoice Billing vs. CAV is allocated to 01/12/21
1J	06/30/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 9,485.00	Rate Range - Invoice Billing vs. CAV is allocated to 01/12/21
1K	9/1/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 6,412.00	Amount together
1L	9/1/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 14,676.86	Amount together
1M	9/1/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 29,990.00	Amount together
1N	8/1/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 12,007.00	Amount together
1O	8/2/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 14,892.00	Amount together
1P	8/2/2021	✓	3/10/22	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 30,609.82	Amount together
1Q	1/1/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 2,179.00	Amount together
1R	1/1/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 607.50	Amount together
1S	1/1/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 13,948.70	Amount together
1T	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 20,294.24	Amount together
1U	1/20/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 19,875.44	Amount together
1V	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 286.86	Amount together
1W	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 2,800.00	Amount together
1X	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 30,916.00	Amount together
1Y	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 6,000.00	Rate Range - Invoice Billing vs. CAV is allocated to 01/12/21
1Z	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 2,070.00	Rate Range - Invoice Billing vs. CAV is allocated to 01/12/21
2A	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 9,970.00	Rate Range - Invoice Billing vs. CAV is allocated to 01/12/21
2B	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 7,170.00	Amount together
2C	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 7,770.00	Amount together
2D	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 6,400.00	Amount together
2E	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 4,875.00	Amount together
2F	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 26,230.16	Rate Range - Invoice Billing vs. CAV is allocated to 01/12/21
2G	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 21,806.21	Rate Range - Invoice Billing vs. CAV is allocated to 01/12/21
2H	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 44,888.97	Amount together
2I	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 44,888.97	Amount together
2J	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 19,029.97	Amount together
2K	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 30,011.40	Amount together
2L	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 27,630.20	Amount together
2M	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 35,642.30	Amount together
2N	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 36,045.23	Amount together
2O	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 36,045.23	Amount together
2P	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 86,062.27	Amount together
2Q	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 86,062.27	Amount together
2R	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 128,216.01	Amount together
2S	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 164,009.82	Amount together
2T	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 6,165.00	Amount together
2U	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 1,630.00	Amount together
2V	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 89,336.30	Amount together
2W	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 49,400.85	Amount together
2X	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 81,309.21	Amount together
2Y	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 84,261.84	Amount together
2Z	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 9,845.00	Amount together
3A	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 8,000.00	Amount together
3B	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 1,125.00	Amount together
3C	3/3/2021	✓	3/8/21	WGS Associates, Inc.	Contract - General Construction Rate Range	210 - Amount Together	\$ 6,875.00	Amount together

Total All Expenses all Companies \$ 1,349,288.88

Check Figure
FIX

OS-20-00004865
Proposal for Decision
Attachment 3
(Settlement Agreement - Amendments)

UNIGAS EXHIBIT NO. 13-A

OS-20-00004865

STATEMENT OF INTENT TO	§	
INCREASE AND CONSOLIDATE GAS	§	BEFORE THE
UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS SERVED	§	
BY UNIVERSAL NATURAL GAS, LLC	§	
d/b/a UNIVERSAL NATURAL GAS,	§	RAILROAD COMMISSION
INC., CONSUMERS GAS COMPANY,	§	
LLC d/b/a CONSUMERS GAS	§	
COMPANY, INC., ENERTEX NB, LLC,	§	
AND GAS ENERGY, LLC	§	OF TEXAS

AMENDED SETTLEMENT AGREEMENT

This Amended Settlement Agreement is entered into by and between Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (“UniGas”), Consumers Gas Company, LLC d/b/a Consumers Gas Company, Inc. (“Consumers”), EnerTex NB, LLC (“EnerTex”), and Gas Energy, LLC (“Gas Energy”) (collectively, the “Companies”) and Staff of the Railroad Commission of Texas (“Commission Staff”) (collectively, the “Signatories”).

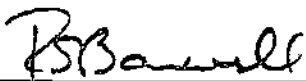
Settlement Term No. 2 contained in the Signatories’ original Settlement Agreement in this matter dated February 12, 2021, referenced Rate Schedule COG attached thereto as Exhibit A. The Signatories hereby agree that:

1. The updated version of Rate Schedule COG attached to this Amended Settlement Agreement shall supersede and replace, in all respects, that prior version of Rate Schedule COG attached to the original Settlement Agreement;
2. All references in the original Settlement Agreement to “Exhibit A” and “Rate Schedule COG” shall include and incorporate the updated version of Rate Schedule COG attached hereto in lieu of the Rate Schedule COG attached to the original Settlement Agreement;
3. Except as expressly amended herein, the original Settlement Agreement remains in full force and effect in all respects; and
4. This Amended Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile or email signatures.

[Remainder of page intentionally left blank]

Agreed to this 5th day of March, 2021.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
CONSUMERS GAS COMPANY, LLC D/B/A CONSUMERS GAS COMPANY, INC.
ENERTEX NB, LLC
GAS ENERGY, LLC

By: 
Robert S. Barnwell, IV
President and Chief Executive Officer

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
Natalie Dubiel
Attorney for Staff of the Railroad Commission of Texas

Agreed to this 5th day of March, 2021.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
CONSUMERS GAS COMPANY, LLC D/B/A CONSUMERS GAS COMPANY, INC.
ENERTEX NB, LLC
GAS ENERGY, LLC

By: _____
Robert S. Barnwell, IV
President and Chief Executive Officer

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: Natalie Dubiel
Natalie Dubiel
Attorney for Staff of the Railroad Commission of Texas

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
COST OF GAS (COG) ADJUSTMENT
RATE SCHEDULE 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 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 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 Surcharge, as defined below, shall also be clearly identified on a separate line item on each customer bill while such surcharge 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 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 Surcharge, 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 SURCHARGE

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 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 recover 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), on the unrecovered monthly balance of the February 2021 Winter Event Regulatory Asset. The February 2021 Winter Event Regulatory Asset shall be amortized and recovered through a customer surcharge, separate from the other charges and adjustments authorized in this Rate Schedule COG, that shall be applied as follows ("February 2021 Winter Event Surcharge"):

- 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 surcharge 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 surcharge 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 Surcharge shall terminate with respect to the portion of the February 2021 Winter Event Regulatory Asset so securitized.

**Attachment 1 – Response to ALJ RFI 2-1 –
Second Amended Settlement Agreement**

OS-20-00004865

STATEMENT OF INTENT TO	§	
INCREASE AND CONSOLIDATE GAS	§	BEFORE THE
UTILITY RATES WITHIN THE	§	
UNINCORPORATED AREAS SERVED	§	
BY UNIVERSAL NATURAL GAS, LLC	§	
d/b/a UNIVERSAL NATURAL GAS,	§	RAILROAD COMMISSION
INC., CONSUMERS GAS COMPANY,	§	
LLC d/b/a CONSUMERS GAS	§	
COMPANY, INC., ENERTEX NB, LLC,	§	
AND GAS ENERGY, LLC	§	OF TEXAS

SECOND AMENDED SETTLEMENT AGREEMENT

This Second Amended Settlement Agreement is entered into by and between Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (“UniGas”), Consumers Gas Company, LLC d/b/a Consumers Gas Company, Inc. (“Consumers”), EnerTex NB, LLC (“EnerTex”), and Gas Energy, LLC (“Gas Energy”) (collectively, the “Companies”) and Staff of the Railroad Commission of Texas (“Commission Staff”) (collectively, the “Signatories”).

WHEREAS, Settlement Term No. 2 contained in the Signatories’ original Settlement Agreement in this matter dated February 12, 2021, referenced Rate Schedule COG attached thereto as Exhibit A; and

WHEREAS, the Signatories subsequently executed an Amended Settlement Agreement dated March 5, 2021, that replaced Rate Schedule COG from the original Settlement Agreement with an updated Rate Schedule COG attached to the Amended Settlement Agreement; and

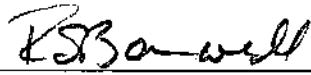
WHEREAS, the Signatories desire to replace prior versions of Rate Schedule COG with the version of Rate Schedule COG attached hereto;

THEREFORE, the Signatories hereby agree that:

1. The updated version of Rate Schedule COG attached to this Second Amended Settlement Agreement shall supersede and replace, in all respects, the prior versions of Rate Schedule COG attached to the original Settlement Agreement and the Amended Settlement Agreement;
2. All references in the original Settlement Agreement or the Amended Settlement Agreement to “Exhibit A” and “Rate Schedule COG” shall include and incorporate the updated version of Rate Schedule COG attached hereto in lieu of the versions of Rate Schedule COG attached to the original Settlement Agreement and the Amended Settlement Agreement;
3. Except as expressly amended herein, the original Settlement Agreement and Amended Settlement Agreement remain in full force and effect in all respects; and
4. This Second Amended Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile or email signatures.

Agreed to this 12th day of March, 2021.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
CONSUMERS GAS COMPANY, LLC D/B/A CONSUMERS GAS COMPANY, INC.
ENERTEX NB, LLC
GAS ENERGY, LLC

By: 
Robert S. Barnwell, IV
President and Chief Executive Officer

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
Natalie Dubiel
Attorney for Staff of the Railroad Commission of Texas

Agreed to this 12th day of March, 2021.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
CONSUMERS GAS COMPANY, LLC D/B/A CONSUMERS GAS COMPANY, INC.
ENERTEX NB, LLC
GAS ENERGY, LLC

By: _____
Robert S. Barnwell, IV
President and Chief Executive Officer

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: Natalie Dubiel
Natalie Dubiel
Attorney for Staff of the Railroad Commission of Texas

Attachment to Second Amended
Settlement Agreement

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
COST OF GAS (COG) ADJUSTMENT
RATE SCHEDULE 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 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 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 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.

1. 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 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.

OS-20-00004865
Proposal for Decision
Attachment 4
(Cost of Gas 18-Month Recovery Model)

5 -- Attachment 1 - Response to ALJ RFI 2-4(d)

Gas Recovery Forecast Model - February 2021 Winter Event

RECOVERY PER MCF	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
Recoverable Balance	\$32,000,000	\$29,685,706	\$28,036,500	\$26,387,294	\$24,738,088	\$23,088,883	\$21,439,677	\$19,790,471	\$18,141,265	\$16,492,059	\$14,842,853	\$13,193,647
Feb-21 Cost Recovered	\$2,314,294	\$1,649,206	\$1,649,206	\$1,649,206	\$1,649,206	\$1,649,206	\$1,649,206	\$1,649,206	\$1,649,206	\$1,649,206	\$1,649,206	\$1,649,206
Recovery over Months	18 mths											
Gas Counts (Estimated)		18,487	18,724	18,960	19,243	19,540	19,882	20,238	20,639	21,051	21,523	22,090
Gas Counts (Estimated)		260	260	260	260	260	260	260	260	260	260	260
Gas Counts (Estimated)		16	16	16	16	16	16	16	16	16	16	16
Volumes - Residential		4.92	3.28	2.09	1.65	1.49	1.23	1.31	1.97	5.44	9.12	10.42
Gas - Small Commercial		22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
Gas - Large Commercial		186.30	186.30	186.30	186.30	186.30	186.30	186.30	186.30	186.30	186.30	186.30
VOLUMES PROJECTED		99,628	70,135	48,330	40,534	37,781	33,119	35,286	49,294	123,212	205,096	238,939
Cost Per Mcf - Recovery		\$16.55	\$23.51	\$34.12	\$40.69	\$43.65	\$49.80	\$46.74	\$33.46	\$13.39	\$8.04	\$6.90

	2/1/2021	2/2/2021	2/3/2021	2/4/2021	2/5/2021	2/6/2021	2/7/2021	2/8/2021	2/9/2021	2/10/2021	2/11/2021	2/12/2021
\$/mmBTU)	\$ 2.70	\$ 2.79	\$ 3.02	\$ 2.83	\$ 2.86	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.18	\$ 3.25	\$ 4.54	\$ 11.02

Houston Ship Channel Spot Prices - February 2021



1865 -- Attachment 1 - Response to ALJ RFI 2-4(d)

Apr-22	May-22	Jun-22	Jul-22	Aug-22
\$6,029	\$6,596,824	\$4,947,618	\$3,298,412	\$1,649,206
\$1,649,206	\$1,649,206	\$1,649,206	\$1,649,206	\$1,649,206
796	24,368	24,942	25,525	26,108
260	260	260	260	260
16	16	16	16	16
2.28	2.09	1.65	1.49	1.23
22.00	22.00	22.00	22.00	22.00
186.30	186.30	186.30	186.30	186.30
59,776	59,633	49,962	46,688	40,766
\$9.01	\$27.66	\$33.01	\$35.32	\$40.46

2/16/2021	2/18/2021	2/17/2021	2/18/2021	2/19/2021	2/20/2021	2/21/2021	2/22/2021	2/23/2021	2/24/2021	2/25/2021	2/26/2021	2/27/2021	2/28/2021
180.66 \$	180.66 \$	400.00 \$	358.77 \$	55.29 \$	3.84 \$	3.84 \$	3.84 \$	2.51 \$	2.62 \$	2.59 \$	2.43 \$	2.43 \$	2.43 \$

OS-20-00004865
Proposal for Decision
Attachment 5
(Bill Impact)

	Average Monthly Usage in Mcf	Current Average Monthly Bill with Gas Cost	Settlement Average Monthly Bill with Gas Cost	Proposed Monthly Increase	Percentage Change with Gas Cost	Percentage Change without Gas Cost
	4.20	\$34.43	\$42.97	\$8.54	25%	41%
≤ 150 Mcf	22.00	\$142.51	\$170.75	\$28.24	20%	39%
> 150 Mcf	186.30	\$1,020.08	\$1,239.87	\$219.79	22%	51%
	247.40	\$1,312.84	\$1,589.12	\$276.28	21%	52%
	4.20	\$40.18	\$42.97	\$2.79	7%	12%
Commercial ≤ 150 Mcf	22.00	\$172.27	\$170.75	(\$1.52)	-1%	1%
Commercial > 150 Mcf	186.30	\$1,309.44	\$1,239.87	(\$69.57)	-5%	-6%
	4.20	\$54.72	\$42.97	(\$11.75)	-21%	-27%
≤ 150 Mcf	22.00	\$149.97	\$170.75	\$20.78	14%	27%
> 150 Mcf	186.30	\$1,183.00	\$1,239.87	\$56.87	5%	12%
	4.20	\$49.18	\$42.97	(\$6.21)	-13%	-15%
Commercial ≤ 150 Mcf	22.00	\$206.98	\$170.75	(\$36.23)	-18%	-24%
Commercial > 150 Mcf	186.30	\$1,595.53	\$1,239.87	(\$355.66)	-22%	-32%

ed on approximately \$2.92/Mcf average during test year. Settlement cost of gas based on approximately \$2.81/Mcf, reflecting the
ess the Janix Energy Services, Inc. fee recovery reduction as reflected in Settlement Term No. 20.

omers are being moved to the applicable Commercial customer subclass (either Small or Large) based on consumption. Based on average
s school customers are classified in the Large Commercial class for purposes of this bill impact exhibit.

n Notice)

	Base Customer	Base Volumetric	Gas Volumetric
ial	12.00	2.42	2.92129213
ial ≤ 150 Mcf	25.00	2.42	2.92
ial > 150 Mcf	25.00	2.42	2.92
	25.00	2.28	2.92
ential	13.00	3.55	2.92
mercial ≤ 150 Mcf	20.00	4.00	2.92
mercial > 150 Mcf	20.00	4.00	2.92
ial	22.50	4.75	2.92
cial ≤ 150 Mcf	45.00	1.85	2.92
cial > 150 Mcf	350.00	1.55	2.92
ential	13.68	5.53	2.92
mercial ≤ 150 Mcf	21.05	5.53	2.92
mercial > 150 Mcf	21.05	5.53	2.92

	Base Customer	Base Volumetric	Gas Volumetric
ial	18.00	3.14	2.81
ial ≤ 150 Mcf	45.00	2.91	2.81
ial > 150 Mcf	175.00	2.91	2.81
150 Mcf	175.00	2.91	2.81
ential	18.00	3.14	2.81
mercial ≤ 150 Mcf	45.00	2.91	2.81
mercial > 150 Mcf	175.00	2.91	2.81
ial	18.00	3.14	2.81
cial ≤ 150 Mcf	45.00	2.91	2.81
cial > 150 Mcf	175.00	2.91	2.81
ential	18.00	3.14	2.81
mercial ≤ 150 Mcf	45.00	2.91	2.81
mercial > 150 Mcf	175.00	2.91	2.81

Without Gas	Bill with Gas
22.16	34.43
78.24	142.51
475.85	1,020.08
590.11	1,312.84
27.91	40.18
108.00	172.27
765.20	1,309.44
42.45	54.72
85.70	149.97
638.77	1,183.00
36.91	49.18
142.71	206.98
1,051.29	1,595.53

Without Gas	Bill with Gas	Incr. Without Gas	Incr. With Gas	Incr. Without Gas	Incr. With Gas
31.19	42.97	9.03	8.54	41%	25%
109.02	170.75	30.78	28.24	39%	20%
717.13	1,239.87	241.28	219.79	51%	22%
894.93	1,589.12	304.82	276.28	52%	21%
31.19	42.97	3.28	2.79	12%	7%
109.02	170.75	1.02	(1.52)	1%	-1%
717.13	1,239.87	(48.07)	(69.57)	-6%	-5%
31.19	42.97	(11.26)	(11.75)	-27%	-21%
109.02	170.75	23.32	20.78	27%	14%
717.13	1,239.87	78.36	56.87	12%	5%
31.19	42.97	(5.72)	(6.21)	-15%	-13%
109.02	170.75	(33.69)	(36.23)	-24%	-18%
717.13	1,239.87	(334.16)	(355.66)	-32%	-22%

OS-20-00004865
Proposal for Decision
Attachment 6
(Proposed Final Order)

BEFORE THE RAILROAD COMMISSION OF TEXAS

**STATEMENT OF INTENT TO INCREASE §
AND CONSOLIDATE GAS UTILITY §
RATES WITHIN THE UNINCORPORATED §
AREAS SERVED BY UNIVERSAL §
NATURAL GAS, LLC d/b/a UNIVERSAL §
NATURAL GAS, INC., CONSUMERS GAS §
COMPANY, LLC d/b/a CONSUMERS GAS §
COMPANY, INC., ENERTEX NB, LLC, §
AND GAS ENERGY, LLC §
§**

HEARINGS DIVISION

OS-20-00004865

PROPOSED FINAL ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to Tex. Gov't Code Chapter 551, *et seq.* The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

1. Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. ("UniGas"), Consumers Gas Company, LLC d/b/a Consumers Gas Company, Inc. ("Consumers"), EnerTex NB, LLC ("EnerTex"), and Gas Energy, LLC ("Gas Energy") (collectively, "Applicants"), are each a gas utility as that term is defined in the Texas Utilities Code and are subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
2. On October 9, 2020, Applicants filed with the Commission a Statement of Intent to increase and consolidate gas utility rates within the unincorporated areas they serve in the State of Texas (the "SOI"). The SOI was docketed as OS-20-00004865 at the Commission.
3. In the SOI, Applicants requested to consolidate the entities with UniGas as the surviving entity. Applicants developed their proposed rates based on the cost of providing service to all customers served by Applicants.
4. On November 4, 2020, the Commission suspended the effective date for Applicants' rate increase for 150 days, and Applicants agreed to extend the statutory deadline further to April 13, 2021.
5. Applicants provided direct mail notice of the SOI to change rates to all affected customers, which was completed on November 25, 2020.
6. The form and publication of the notice meets the statutory and rule requirements and provides sufficient information to ratepayers regarding the rate request in accordance with Tex. Util. Code § 104.103(b) and 16 Tex. Admin. Code §§ 7.230 and 7.235.
7. Staff of the Commission ("Staff") timely intervened on October 13, 2020, and the Administrative Law Judge ("ALJ") granted party status the same day.
8. From November 30, 2020 through January 11, 2021, the Commission received numerous comment letters from the public opposing Applicants' proposed rate amounts. Those customers were mailed a "Complaint and Statement of Intent to Participate Form" in

compliance with 16 Tex. Admin. Code § 7.240 (Statement of Intent to Participate). Statement of Intent to Participate Forms were completed by Mr. Steve Alton on December 14, 2020, Mr. Oscar Hudnall on December 17, 2020, Mr. Joseph S. Kowalczyk on December 23, 2020, Mr. and [REDACTED] on December 31, 2020, and Mr. and Mrs. Gary and Rosemary White on January 1, 2021.

9. Mr. Steven Alton and Mr. Oscar Hudnall were admitted as protestants to the proceeding on December 30, 2020. Mr. Joseph S. Kowalczyk was admitted as a protestant to the proceeding on January 7, 2021. [REDACTED] and Mr. and Mrs. Gary and Rosemary White were admitted as protestants on January 12, 2021.
10. On January 12, 2021, the ALJ abated all pending procedural deadlines.
11. On January 13, 2021, the ALJ issued the Notice of Hearing, which set the hearing on the merits to commence on February 18, 2021 (the "Hearing").
12. On January 15, 2021, the Commission published the Notice of Hearing in *Gas Utilities Bulletin No. 1147*.
13. On January 22, 2021, the ALJ mailed the Notice of Hearing to the governing bodies of affected municipalities and counties in accordance with Tex. Util. Code § 104.105 (Determination of Propriety of Rate Change; Hearing).
14. On February 2, 2021, Mr. Joseph S. Kowalczyk filed a Motion to Withdraw as a protestant in the proceeding, which the ALJ granted on February 4, 2021.
15. On February 12, 2021, Applicants and Staff filed a settlement agreement in the proceeding.
16. The Hearing commenced on February 18, 2021 and concluded on February 19, 2021.
17. Mr. Oscar Hudnall was the only protestant who appeared at the Hearing. Mr. Hudnall chose not to participate as a litigant. Instead, he gave unsworn, non-testimonial public comment opposing Applicants' proposed rate increase.
18. The evidentiary record in this case consists of the Applicants' exhibits admitted at the hearing on February 19, 2021 and the Applicants' exhibits admitted under seal in a ruling dated February 24, 2021. The evidentiary record also includes an additional exhibit that Applicants and Staff filed on March 8, 2021 (the Amended Settlement Agreement) and on March 15, 2021 (the Second Amended Settlement Agreement), which the ALJ admitted on March 9, 2021 and March 16, 2021, respectively. The amendments to the settlement agreement updated the Rate Schedule Cost of Gas. Also included in the evidentiary record, through official notice taken by the ALJ, are the Applicants' filings responding to Examiner Request for Information ("RFI") 1-1, 1-2, 1-3 and 1-4 filed on March 1, 2021; Applicants' filings responding to Examiner RFI 2-1, 2-2, 2-3, 2-4, 2-5, 2-6, and 2-7 filed on March 15, 2021; and Staff's filing responding to Examiner RFI 2-1(b) filed on March 12, 2021.
19. On March 16, 2021, the ALJ closed the evidentiary record.

Settlement Agreement

20. On January 8, 2021, Applicants and Staff (collectively, the "Parties") notified the ALJ they had reached an agreement in principle that would resolve all issues in the case.

21. On February 12, 2021, the Parties filed the *Settlement Agreement* (the “Settlement”) and accompanying documents which resolved all issues. On March 8, 2021, the Parties filed an *Amended Settlement Agreement* that amended one of the rate schedules—the Rate Schedule Cost of Gas—to which the Parties agreed. Appended to the Order are **Attachment 1** (Rate Schedules and Tariffs) and **Attachment 2** (Depreciation Rates and Net Plant in Service). The cost of service agreed to by the Parties in the Settlement is based upon the consolidation of Consumers, EnerTex, Gas Energy, and UniGas into one entity with UniGas as the surviving entity.
22. Applicants established that the consolidation of Consumers, EnerTex, Gas Energy and UniGas, with UniGas as the surviving entity (“Consolidated UniGas”), is in, and consistent with, the public interest under Section 102.051 of the Texas Utilities Code.
23. Applicants established that they maintain their books and records in accordance with the Federal Energy Regulatory Commission’s (“FERC”) Uniform System of Accounts (“USOA”) prescribed for natural gas companies.
24. Applicants established that they have fully complied with the books and records requirements of 16 Tex. Admin. Code § 7.310, and the amounts included therein are therefore entitled to the presumption in 16 Tex. Admin. Code § 7.503 that these amounts are reasonable and necessary.
25. The test-year in this filing is based upon the financial data for the twelve-month period ending June 30, 2020.
26. The Settlement contemplates an overall revenue increase of \$995,000 that is not tied to any specific expense or methodology in Consolidated UniGas’ underlying cost-of-service.
27. The \$995,000 revenue increase represents a decrease of approximately \$648,634 from the revenues requested in the original filing.
28. A total revenue requirement for Consolidated UniGas of \$7,628,369, an increase of \$995,000 from current revenues, is just and reasonable.
29. The proposed rates under the Settlement are reasonable and consistent with the rate-setting requirements of Chapter 104 of the Texas Utilities Code.
30. It is reasonable that the proposed rates will be effective for bills rendered on or after the effective date of this Order and will affect the classes of customers that are listed in **Table 1** below.
31. Consistent with the Settlement, the tariffs shall be implemented for bills rendered on or after the effective date of this Order and will replace and supersede those tariffs currently in effect for the Applicants.
32. The customer and consumption charges set forth below and reflected in **Attachment 1** are just and reasonable.

Table 1

	Monthly Customer Charge	Consumption Charge (per Mcf)
Residential	\$ 18.00	\$3.14
Small Commercial	\$ 45.00	\$2.91
Large Commercial	\$175.00	\$2.91

33. The depreciation rates as reflected in **Attachment 2** are proper, adequate, just and reasonable.
34. Capital investment booked to plant through June 30, 2020 in the amount of \$22,955,825 as reflected on **Attachment 2** is prudent, used and useful, and just and reasonable.
35. Consistent with the Settlement, any capital investment items not in service by June 30, 2020, are not included in the net plant amount reflected in **Attachment 2** and are preserved for future prudence review and potential rate recovery once Consolidated UniGas files a rate-setting mechanism after those items have been placed into service and have become used and useful.
36. The following capital structure, cost of debt, cost of equity, and weighted cost of capital including the pre-tax rate of return, shown below, are just and reasonable:

Table 2

	Capital Structure	Debt/Equity Cost	Weighted Cost of Capital	Pre-Tax Return
Long-Term Debt	37.24%	5.31%	1.98%	1.98%
Common Equity	62.76%	9.50%	5.96%	7.55%
Rate of Return	100.00%		7.94%	9.53%

37. Consistent with the Settlement, any Interim Rate Adjustment ("IRA") filing Consolidated UniGas makes pursuant to Texas Utilities Code § 104.301 shall use the following factors until changed by a subsequent general rate proceeding:
 - a. The capital structure and related components shall be as shown above in **Table 2**.
 - b. For the initial IRA filing and for all subsequent IRA filings, the depreciation rate for each account shall be as shown in **Attachment 2**.
 - c. For the initial IRA filings, the beginning balance of net plant in service amount shall be \$22,955,825 as shown in **Attachment 2**.
 - d. For the initial IRA filing, the customer and consumption charges as noted in **Table 1** above will be the starting rates to which any IRA adjustment is applied.
 - e. Federal income taxes will be calculated using the statutory 21% rate, unless the federal corporate income tax rate is changed, in which case the new rate will be applied.
 - f. The base rate revenue allocation factors to spread any change in IRA increase/decrease to the appropriate customer classes are as follows:

	Allocation
Residential	92.11%
Small Commercial	4.66%
Large Commercial	3.23%
Total Allocation	100.00%

38. Consistent with the Settlement, the following customer class allocation, customer counts, and volumes for base rates are reasonable:

Table 3

	Allocation	Customer Count	Volumes (Mcf)
Residential	92.11%	17,959	893,452
Small Commercial	4.66%	255	69,011
Large Commercial	3.23%	16	69,011
Total Allocation	100.00%	18,230	1,031,474

39. Consistent with the Settlement, \$6,596,833 in expenses related to test year services provided by affiliates to Consolidated UniGas that are included in the revenue requirement, and \$5,832,419 in expenses related to test year services provided by affiliates to Consolidated UniGas that are related to its cost of gas, are reasonable and necessary and recoverable consistent with the provisions in Texas Utilities Code § 104.055.
40. Applicants have established that the services provided by affiliates are reasonable and necessary costs of providing gas utility service and the prices charged to Consolidated UniGas are no higher than the prices charged by the supplying affiliate to other affiliates of Consolidated UniGas, or to a non-affiliated person for the same item or class of items.
41. It is reasonable that Consolidated UniGas decrease its recovery of the fee paid to its affiliate, Janix Energy Services, Inc., for marketing, balancing, and optimization services, from \$1.25 per MMBtu to \$1.14 per MMBtu, through its cost of gas adjustment mechanism reflected in Rate Schedule Cost of Gas included in **Attachment 1**, as a reasonable and necessary component of its cost of gas.
42. It is reasonable that Consolidated UniGas file a lead-lag study in its next Statement of Intent filed with the Commission under its original jurisdiction.
43. Consolidated UniGas established it has complied with the requirements set forth in the GUD No. 10695 Accounting Order (Feb. 27, 2018) and Order Nunc Pro Tunc (March 20, 2018) and its related filings were reasonable and accurate.
44. It is reasonable that Consolidated UniGas collect the Pipeline Safety and Regulatory Program Fee surcharge pursuant to 16 Tex. Admin. Code § 8.201 as an annual fee.
45. It is reasonable that Consolidated UniGas file an annual Pipeline Safety and Regulatory Program Compliance Filing with Staff no later than ninety (90) days after the last billing cycle in which the Pipeline Safety and Regulatory Program Fee is billed to customers.

46. It is reasonable that Consolidated UniGas shall classify new capital investment utilizing project numbers and shall utilize project descriptions that accurately reflect the new capital investment activity contained in each project.
47. Consistent with the Settlement, Consolidated UniGas will create a Meals and Travel Policy in accordance with current Commission policy of \$25 per person per meal and \$175 per room per night in maximum recoverable expenses and will submit the policy to Commission Staff in a compliance filing within forty-five (45) days of the date of the Final Order.
48. It is reasonable that Consolidated UniGas retain all original invoices for purchases by Texas Gas Utility Services, Inc., in whole or in part to Consolidated UniGas.
49. It is reasonable that Consolidated UniGas may book, as a regulatory asset, \$202,900 of expenses related to its hydrostatic testing incurred in August 2020, to be amortized over a five-year period.
50. Pursuant to Tex. Util. Code § 104.006, it is reasonable that the rates established in this order for environs customers in Montgomery County may exceed 115% of the average of all rates for similar services in municipalities within Montgomery County served by Consolidated UniGas.
51. The proposed revisions to the Applicants' Cost Allocation Manual, as set forth in Exhibit JRB-3 to the direct testimony of Mr. J. Ross Buttermore, are just and reasonable.

Rate Schedule Cost of Gas

52. Consolidated UniGas' Cost of Gas ("COG") Tariff includes an installment charge—the "February 2021 Winter Event Installment Charge"—to account for the extraordinary high costs of natural gas caused by the 2021 Winter Weather Event incurred from February 13-19, 2021.
53. Consistent with the Settlement, Consolidated UniGas shall be entitled to book a separate regulatory asset associated with its carrying costs based on its cost of long-term debt—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"). It is reasonable that the recovery mechanism for the February 2021 Winter Event Carrying Costs will be set in a subsequent proceeding.
54. Consistent with the Settlement, 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.
55. It is reasonable that the February 2021 Winter Event Regulatory Asset be amortized in equal installments over a period of 18 months ("Fixed Monthly Recovery Installment").
56. It is reasonable that the installment charge amortizes approximately \$29,685,706 over 18 months into a regulatory asset and that the installment charge be volumetric based.
57. Consistent with the Settlement, the volumetric-based installment charge for each of the 18 months shall be computed by dividing the Fixed Monthly Recovery Installment to be recovered from customers in that calendar month by Consolidated UniGas' 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.

58. Consolidated UniGas is willing to participate in alternative measures to reduce costs on customers. It is reasonable that Consolidated UniGas will closely monitor ongoing legislative efforts to pass legislation that will allow some form of securitization of the extraordinary costs incurred from the 2021 Winter Weather Event to provide for a longer-term recovery of these costs from customers in smaller monthly amounts. Consolidated UniGas intends to participate in such a program if passed.

Rate Case Expenses

59. The Settlement will significantly reduce the amount of reimbursable rate case expenses associated with this docket.
60. Consolidated UniGas has each established that its rate case expenses for OS-20-00004865 incurred through December 31, 2020 are as follows:

Table 4.

Actual Regulatory Expenses	Actual Litigation Expenses	Total Recoverable Expenses Requested for Recovery
\$525,968.84	\$244,605.51 (actual); \$145,316.62 (requested for recovery)	\$671,285.46

61. Consolidated UniGas has established that its total recoverable rate case expenses of \$671,285.46, which consist of \$525,968.84 in actual regulatory expenses and \$145,316.62 in actual litigation expenses requested for recovery, are just and reasonable.
62. The hourly rates charged by attorneys and consultants were reasonable rates charged by firms in cases addressing utility rate matters.
63. The attorneys and consultants did not charge any expenses for luxury items and did not incur any excessive airline, lodging, or meal expenses.
64. The amount of work completed and the time and labor required to accomplish the work were reasonable given the nature of the issues addressed.
65. The complexity and expense of the work was relevant and reasonably necessary to the proceeding and was commensurate with both the complexity of the issues and necessary to completing the matter before the Commission.
66. It is reasonable that the recovery of \$671,285.46 in total rate case expenses be recovered over an approximately 60-month period and that the surcharge be volume-based in an amount of \$0.130 per Mcf as set forth in Rate Schedule RCE in **Attachment 1**.
67. It is reasonable that Consolidated UniGas file an annual Rate Case Expense Compliance Filing with the Commission Oversight and Safety Division, referencing OS-20-00004865. The compliance filing shall include the volumes used by month by customer class during the applicable period, the amount of rate case expense recovered by month, and the outstanding balance by month as set out in the approved Rate Schedule RCE, in **Attachment 1**.

68. It is reasonable that Consolidated UniGas file an annual Rate Case Expense Compliance Filing with Commission Staff detailing the balance of actual plus estimated rate case expenses at the beginning of the annual period, the amount collected by customer class, and the ending or remaining balance within ninety (90) days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered.
69. The tariffs and rate schedules attached to this Final Order in **Attachment 1** are just and reasonable.

CONCLUSIONS OF LAW

1. Each of the Applicants is a gas utility as defined in Tex. Util. Code §§ 101.003(7) and 121.001 and are therefore subject to the jurisdiction of the Commission.
2. The Commission has jurisdiction over Applicants and the SOI under Tex. Util. Code §§ 102.001, 104.001, and 104.002.
3. Under Tex. Util. Code § 102.001, the Commission has exclusive original jurisdiction over the rates and services of a gas utility within the environs areas the Applicants serve.
4. This proceeding was conducted in accordance with the requirements of Tex. Util. Code §§ 101.001, *et seq.*, and the Administrative Procedure Act, Tex. Gov't Code §§ 2001.001 *et seq.*
5. The proposed rates constitute a major change as defined by Tex. Util. Code § 104.101.
6. Tex. Util. Code § 104.107 provides the Commission's authority to suspend the operation of the schedule of proposed rates for 150 days from the date the schedule would otherwise go into effect.
7. Proper notice was given consistent with Tex. Util. Code § 104.103 and 16 Tex. Admin. Code §§ 7.230 and 7.235.
8. Applicants filed the SOI in accordance with Tex. Util. Code § 104.102 and 16 Tex. Admin. Code §§ 7.205 and 7.210.
9. Applicants met the burden of proof in accordance with the provisions of Tex. Util. Code § 104.008 on the elements of its requested rate increase identified in this Order.
10. The revenue, rates, rate design, and service fees identified in the schedules attached to this Order are just and reasonable, are not unreasonably preferential, prejudicial, or discriminatory, and are sufficient, equitable, and consistent in application to each class of consumer, as required by the Texas Utilities Code.
11. The overall revenues as established by the findings of fact and appended schedules in **Attachment 1** are reasonable; fix an overall level of revenues for Consolidated UniGas that will permit it a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public over and above its reasonable and necessary operating expenses, as required by Tex. Util. Code § 104.051; and otherwise comply with Chapter 104 of the Texas Utilities Code.

12. The revenue, rates, rate design, and service fees proposed will not yield to Consolidated UniGas more than a fair return on the adjusted value of the invested capital used and useful in rendering service to the public, as required by Tex. Util. Code § 104.052.
13. The rates established in this docket comport with the requirements of Tex. Util. Code § 104.053 and are based upon the adjusted value of invested capital used and useful, where the adjusted value is a reasonable balance between the original cost less depreciation and current cost less an adjustment for present age and condition.
14. The tariffs and rate schedules included as **Attachment 1** comply with Chapter 104 of the Texas Utilities Code and 16 Tex. Admin. Code § 7.5519.
15. The rates established in this case comply with the affiliate transaction standard set out in Tex. Util. Code § 104.055.
16. Applicants met their burden in proving the reasonableness of their rate case expenses pursuant to 16 Tex. Admin. Code § 7.5530.
17. Applicants have complied with the requirements set forth in the GUD No. 10695 Accounting Order (Feb. 27, 2018) and Order Nunc Pro Tunc (March 20, 2018).
18. Consolidated UniGas is required by 16 Tex. Admin. Code § 7.315 to file electronic tariffs incorporating rates consistent with this Order within thirty days of the date of this Order.
19. Consolidated UniGas has established that its books and records conform with 16 Tex. Admin. Code § 7.310 to utilize FERC's USOA prescribed for Natural Gas Applicants, and Consolidated UniGas is therefore entitled to the presumption that the amounts included therein are reasonable and necessary in accordance with 16 Tex. Admin. Code § 7.503.

IT IS THEREFORE ORDERED that the proposed schedule of rates and tariffs for Consolidated UniGas as reflected in the Order and in **Attachment 1** are hereby **APPROVED**.

IT IS FURTHER ORDERED that the Depreciation Rates and Net Plant in Service for Consolidated UniGas, as reflected in **Attachment 2**, is **APPROVED**

IT IS FURTHER ORDERED that the factors established for future Interim Rate Adjustment filings in **Finding of Fact No. 38** are **APPROVED**.

IT IS FURTHER ORDERED that the terms of the Settlement Agreement, as reflected in this Final Order, are hereby **APPROVED**.

IT IS FURTHER ORDERED that Consolidated UniGas retain all original invoices for purchases by Texas Gas Utility Services, Inc., that are allocated in whole or in part to Consolidated UniGas.

IT IS FURTHER ORDERED that Consolidated UniGas shall classify new capital investment utilizing project numbers and shall utilize project descriptions that accurately reflect the new capital investment activity contained in each project.

IT IS FURTHER ORDERED that Consolidated UniGas, within forty-five (45) days of the date of this Order, shall create and submit a Meals and Travel Policy Compliance Filing with Staff.

IT IS FURTHER ORDERED that Consolidated UniGas create a Meals and Travel Policy in accordance with current Commission policy of \$25 per person per meal and \$175 per room per night

in maximum recoverable expenses. Consolidated UniGas will submit the policy to Staff in a compliance filing within forty-five (45) days of the date of the Final Order.

IT IS FURTHER ORDERED that Consolidated UniGas file an annual Rate Case Expense Compliance Filing with Staff detailing recovery of rate case expenses as described in **Finding of Fact No. 66** within ninety (90) days after each calendar year end (with the first such filing due on or before April 1, 2022) until and including the calendar year end in which the rate case expenses are fully recovered.

IT IS FURTHER ORDERED that within thirty (30) days of this Final Order, in accordance with 16 Tex. Admin. Code § 7.315, Consolidated UniGas SHALL electronically file its rate schedules in proper form that accurately reflect the rates in **Attachment 1** approved in this Final Order.

IT IS FURTHER ORDERED that any incremental change in rates approved by this Final Order and implemented by Consolidated UniGas shall be subject to refund unless and until Consolidated UniGas' tariffs are electronically filed and accepted by the Gas Services Department in accordance with 16 Tex. Admin. Code § 7.315.

IT IS FURTHER ORDERED that Consolidated UniGas file an annual Pipeline Safety and Regulatory Program Compliance Filing with Staff no later than ninety (90) days after the last billing cycle in which the Pipeline Safety and Regulatory Program Fee is billed to customers.

IT IS FURTHER ORDERED that Consolidated UniGas must file a lead-lag study in its next Statement of Intent filing filed before the Commission under its original jurisdiction.

IT IS FURTHER ORDERED Consolidated UniGas decrease its recovery of the fee paid to its affiliate, Janix Energy Services, Inc., for marketing, balancing, and optimization services, from \$1.25 per MMBtu to \$1.14 per MMBtu, through its cost of gas adjustment mechanism reflected in Rate Schedule Cost of Gas ("COG") included in **Attachment 1**, as a reasonable and necessary component of its cost of gas.

IT IS FURTHER ORDERED that in the event legislation is passed that allows for some form of securitization of Consolidated UniGas' 2021 Winter Weather Event costs, Consolidated UniGas will participate in those measures to provide for a longer-term recovery of those costs from customers in smaller monthly amounts.

IT IS FURTHER ORDERED that in the event Consolidated UniGas participates 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.

IT IS FURTHER ORDERED that the revised Cost Allocation Manual attached as Exhibit JRB-3 to the direct testimony of J. Ross Buttermore is hereby **APPROVED**.

IT IS FURTHER ORDERED that all proposed findings of fact and conclusions of law not specifically adopted in this Order are hereby **DENIED**.

IT IS FURTHER ORDERED that all pending motions and requests for relief not previously granted or granted herein are hereby **DENIED**.

IT IS FURTHER ORDERED that this order shall not be final and effective until 25 days after this Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code § 2001.142, by agreement under Tex. Gov't Code § 2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code § 2001.146(e). If a timely motion for rehearing of an application

is filed by any party at interest, this Order shall not become final and effective until such motion is overruled, or if such motion is granted, this Order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code § 2001.146(e) and 16 Tex. Admin. Code § 1.128(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 100 days from the date this Order is signed.

SIGNED on April 13, 2021.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN CHRISTI CRADDICK

COMMISSIONER WAYNE CHRISTIAN

COMMISSIONER JIM WRIGHT

ATTEST:

SECRETARY

OS-20-00004865
Final Order
Attachment 1
(Rate Schedules and Tariffs)

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
RESIDENTIAL SERVICE
RATE SCHEDULE RES

AVAILABILITY

This schedule is available to residential consumers 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 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:

Monthly Customer Charge:	\$18.00
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.

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.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
COMMERCIAL SERVICE
RATE SCHEDULE COMM

AVAILABILITY

This schedule is available to commercial and other non-residential (hereinafter called “Commercial”) customers 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:

<u>UNIGAS – COMMERCIAL TARIFF MATRIX</u>				
<u>COMMERCIAL CUSTOMER DESCRIPTION</u>	<u>MONTHLY CONSUMPTION CRITERIA</u>		<u>BASE COMMERCIAL TARIFF RATES</u>	
	<u>Equal to or Greater Than:</u>	<u>Less Than or Equal to:</u>	<u>Monthly Meter Charge</u>	<u>Commodity Charge</u>
Small Commercial	0.0 Mcf/Mth.	150.0 Mcf/Mth.	\$45.00/Mth.	\$2.91/Mcf
Large Commercial	150.1 Mcf/Mth.	N/A	\$175.00/Mth.	\$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.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
WEATHER NORMALIZATION ADJUSTMENT (WNA)
RATE SCHEDULE 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 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

Attachment to Second Amended
Settlement Agreement

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
COST OF GAS (COG) ADJUSTMENT
RATE SCHEDULE 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 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 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 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.

1. 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 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.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
PIPELINE SAFETY PROGRAM SURCHARGE
RATE SCHEDULE PSFUG

SURCHARGE

Once annually, UNIGAS shall remit to the Commission the fee required in 16 Tex. Admin. Code § 8.201.

During the next billing cycle following UNIGAS' remittance to the Commission of the fee, UNIGAS shall include on its customers' bills a Pipeline Safety and Regulatory Program Surcharge, to the extent authorized in 16 Tex. Admin. Code § 8.201 ("Rule 8.201").

Formula. The Rule 8.201 surcharge is calculated in accordance with the following formula:

Rule 8.201(b) fee assessed by the Commission on UNIGAS

Divided by

Number of meters billed

Equals

Rule 8.201(b)(3) surcharge, applied per customer meter, once annually

In this formula, the number of meters billed refers to the number of meters billed during the billing month that precedes the month the Rule 8.201(b)(3) surcharge is included on customer bills.

The pipeline safety fee is a one-time fee, which is collected in April.

The Company will pass on the one-time customer charge for the Pipeline Safety Inspection Fee for each service line reported to be in service at the end of calendar year 2019, pursuant to Texas Utilities Code § 121.211 and the Commission's Rules and Regulations.

This Fee shall equal the Pipeline Safety Inspection Fee applicable to each service line in the territory previously served by the predecessor company prior to corporate consolidation, as follows: \$0.99 (Universal Natural Gas, LLC); \$0.99 (Consumers Gas Company, LLC); \$0.98 (Gas Energy, LLC); and \$0.72 (EnerTex NB, LLC).

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

COMPLIANCE REPORT

The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety and regulatory program fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department, referencing Docket No. OS-20-00004865, and titling the report "Pipeline Safety Fee Recovery Report". The report shall include the following:

- a) the pipeline safety fee-amount paid to the Commission;
- b) the unit rate and total amount of the surcharge billed to each customer;
- c) the date or dates the surcharge was billed to customers; and
- d) the total amount collected from customers from the surcharge.

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

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.
MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE M

APPLICATION

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. Normal business hours are Monday through Friday, 8:30 AM – 4:30 PM Central Time. After business hours are considered outside of normal business hours including weekends and holidays. 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.

MISCELLANEOUS SERVICE CHARGES

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

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.

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.

M-4 Field Read of Meter – Special: \$35.00

A charge shall be made for special meter readings requested by Customer such as termination of service, meter re-read, etc.

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.

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.

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 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.

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.

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.

M-10 Collection Call or Missed Appointment: \$35.00

Collection Call, trip charge or Missed Appointment (Per Trip).

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.

M-12 New Construction Service Deposits – Residential: \$75.00

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.

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.

M-14 New Construction Small Commercial Deposit: \$250.00 (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.

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.

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 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.

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.

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.

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 ¾” 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 ¾” service line in the event that bores, rocky ground, 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.

M-20 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.

M-21 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 gas mains, services lines, or yard lines required for the establishment of service shall be charged to customer at Actual Cost.

M-22 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.

M-23 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.

M-24 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.

M-25 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.

M-26 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.

M-27 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).

-END OF SCHEDULE M-

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.

RATE CASE EXPENSE (RCE)

RATE SCHEDULE 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.

UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC.

TAX ADJUSTMENT

RATE SCHEDULE 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.