

CPS Energy

GENERAL SERVICE

RESIDENTIAL AND BASE COMMERCIAL GAS RATE

G

APPLICATION

This rate is applicable to gas service supplied through one metering station and used for domestic and commercial cooking, heating, and lighting purposes.

TYPE OF SERVICE

Natural gas will be supplied at a nominal gauge pressure of four ounces per square inch. If natural gas is metered at a pressure higher than four ounces, measurements will be adjusted to the equivalent of four ounces. When mains of adequate capacity and suitable pressure are not adjacent to the premises served or to be served, the required service may be provided pursuant to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service and the CPS Energy Policy for Gas Main Extensions and Service Installations.

MONTHLY BILL

Rate

\$ 9.95 Service Availability Charge

\$ 0.51062 Per CCF for all CCF

1 CCF equals 100 cubic feet

Minimum Bill

\$9.95. A higher Minimum Bill may be specified in the Customer's Application and Agreement for Gas Service. The Minimum Bill is not subject to reduction by credits allowed under the adjustments below.

Adjustments

Plus or minus an amount which reflects the difference in the unit gas cost factor for the current month above or below a basic cost of \$0.220 per CCF sold. The unit gas cost factor for the current month is computed as the sum of:

- (a) The current month's estimated unit gas cost per CCF, which is computed based upon the current month's estimated CCF purchases, unit gas cost by supplier, any known changes in gas cost, and pipeline losses; plus
- (b) An adjustment, if indicated by the current status of the over and under recovery of gas costs for the recovery year in progress, to correct for the difference between the preceding month's estimated unit gas cost and the current computation for this value. This adjustment is computed by multiplying the difference between the preceding month's estimated unit gas cost (corrected for any gas supplier surcharge) and the current computation for this value times the CCF purchased during the preceding month and then dividing the result by the current month's estimated CCF sales; plus
- (c) An adjustment, if indicated by the current status of the over and under recovery of gas costs for the recovery year in progress, to correct for the difference between the preceding month's estimated value for the second preceding month's unit gas cost and actual unit gas cost for that month. This adjustment is computed by multiplying the difference between the preceding month's estimated value for the second preceding month's unit gas cost and the actual unit gas cost for that month (corrected for any gas supplier surcharge) times the CCF purchased during the preceding month and then dividing the result by the current month's estimated CCF sales; plus
- (d) An adjustment, as necessary, which may be derived and applied to the unit gas cost factors during the months preceding, including, and/or following August each year, depending on the dollar amount of adjustment necessary to balance the annual cumulative actual gas cost with the annual cumulative gas cost recovery through these rates; plus
- (e) An adjustment to reflect offsetting credits to or additions to gas costs resulting from judicial orders or settlements of legal proceedings affecting gas costs or components thereof, including taxes or transportation costs, or to reflect accounting and billing record corrections or other out-of-period adjustments to gas costs.

Plus or minus an adjustment, as necessary, which may be applied to the unit cost factors for amortization of a regulatory asset. The adjustment comprises allowable costs that are defined by City of San Antonio Ordinance No. [Insert Number] authorizing the regulatory asset and recovery of such costs subject to *Accountability Procedures* as set forth within the same city ordinance.

Plus or minus the proportionate part of the increase or decrease in taxes, required payments to governmental entities or for governmental or municipal purposes which may be hereafter assessed, imposed, or otherwise required and which are payable out of or are based upon revenues of the gas system.

LATE PAYMENT CHARGE

The Monthly Bill will be charged if payment is made within the period indicated on the bill. Bills not paid within this period will be charged an additional 2 percent times the Monthly Bill excluding the adjustment for gas costs, garbage fees and sales taxes, with the exception that the late payment charge will be on the budget billing amount for those customers on the CPS Energy's Budget Payment Plan.

TERM OF SERVICE

The Term of Service shall be in accordance with the CPS Energy Application and Agreement for Gas Service. Should a Customer's service requirement exceed the standard of service normally provided under this rate, a longer contract term may be required.

TERMS AND CONDITIONS

Service is subject to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service which are incorporated herein by this reference.

CURTAILMENT

CPS Energy shall have the right at any and all times to immediately adjust in whole or in part, the supply of gas to Customers, in order to adjust to gas supplies available for resale or to adjust to other factors affecting delivery capability.

CPS Energy

GAS RATE

CLASS A

APPLICATION

This rate is applicable to gas service supplied through one metering station for which no other rate applies.

TYPE OF SERVICE

Natural gas will be supplied at a nominal gauge pressure of four ounces per square inch. If natural gas is metered at a pressure higher than four ounces, measurements will be adjusted to the equivalent of four ounces. When mains of adequate capacity and suitable pressure are not adjacent to the premises served or to be served, the required service may be provided pursuant to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service and the CPS Energy Policy for Gas Main Extensions and Service Installations.

MONTHLY BILL

Rate

\$ 41.55 Service Availability Charge

\$ 0.59361 Per CCF for the first 2,000 CCF

\$ 0.50005 Per CCF for all additional CCF

1 CCF equals 100 cubic feet

Minimum Bill

\$41.55. A higher Minimum Bill may be specified in the Customer's Application and Agreement for Gas Service. The Minimum Bill is not subject to reduction by credits allowed under the adjustments below.

Adjustments

Plus or minus an amount which reflects the difference in the unit gas cost factor for the current month above or below a basic cost of \$0.220 per CCF sold. The unit gas cost factor for the current month is computed as the sum of:

- (a) The current month's estimated unit gas cost per CCF, which is computed based upon the current month's estimated CCF purchases, unit gas cost by supplier, any known changes in gas cost, and pipeline losses; plus
- (b) An adjustment, if indicated by the current status of the over and under recovery of gas costs for the recovery year in progress, to correct for the difference between the preceding month's estimated unit gas cost and the current computation for this value. This adjustment is computed by multiplying the difference between the preceding month's estimated unit gas cost (corrected for any gas supplier surcharge) and the current computation for this value times the CCF purchased during the preceding month and then dividing the result by the current month's estimated CCF sales; plus
- (c) An adjustment, if indicated by the current status of the over and under recovery of gas costs for the recovery year in progress, to correct for the difference between the preceding month's estimated value for the second preceding month's unit gas cost and actual unit gas cost for that month. This adjustment is computed by multiplying the difference between the preceding month's estimated value for the second preceding month's unit gas cost and the actual unit gas cost for that month (corrected for any gas supplier surcharge) times the CCF purchased during the preceding month and then dividing the result by the current month's estimated CCF sales; plus
- (d) An adjustment, as necessary, which may be derived and applied to the unit gas cost factors during the months preceding, including, and/or following August each year, depending on the dollar amount of adjustment necessary to balance the annual cumulative actual gas cost with the annual cumulative gas cost recovery through these rates; plus
- (e) An adjustment to reflect offsetting credits to or additions to gas costs resulting from judicial orders or settlements of legal proceedings affecting gas costs or components thereof, including taxes or transportation costs, or to reflect accounting and billing record corrections or other out-of-period adjustments to gas costs.

Plus or minus an adjustment, as necessary, which may be applied to the unit cost factors for amortization of a regulatory asset. The adjustment comprises allowable costs that are defined by City of San Antonio Ordinance No. [Insert Number] authorizing the regulatory asset and recovery of such costs subject to *Accountability Procedures* as set forth within the same city ordinance.

Plus or minus the proportionate part of the increase or decrease in taxes, required payments to governmental entities or for governmental or municipal purposes which may be hereafter assessed, imposed, or otherwise required and which are payable out of or are based upon revenues of the gas system.

LATE PAYMENT CHARGE

The Monthly Bill will be charged if payment is made within the period indicated on the bill. Bills not paid within this period will be charged an additional 2 percent times the Monthly Bill excluding the adjustment for gas costs, garbage fees and sales taxes.

TERM OF SERVICE

Service shall be supplied for an initial period of not less than one year and shall be continued from year to year unless a longer period is specified in the CPS Energy Application and Agreement for Gas Service. Should a Customer's service requirement exceed the standard of service normally provided under this rate, a longer contract term may be required.

TERMS AND CONDITIONS

Service is subject to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service which are incorporated herein by this reference.

CURTAILMENT

CPS Energy shall have the right at any and all times to immediately adjust in whole or in part, the supply of gas to Customers, in order to adjust to gas supplies available for resale or to adjust to other factors affecting delivery capability.

CPS Energy

GAS RATE

CLASS B

APPLICATION

This rate is applicable to gas service supplied through one metering station for fuel used (a) for commercial cooking, heating, and lighting purposes, (b) for industrial, manufacturing or processing purposes, or for steam generation for power purposes, including auxiliary apparatus used exclusively for manufacturing or processing purposes, or (c) for heating and/or cooling plants.

This rate is not applicable to gas supplied for:

- (1) standby service
- (2) resale
- (3) single family residential units.

TYPE OF SERVICE

Natural gas will be supplied at a nominal gauge pressure of four ounces per square inch. If natural gas is metered at a pressure higher than four ounces, measurements will be adjusted to the equivalent of four ounces. When mains of adequate capacity and suitable pressure are not adjacent to the premises served or to be served, the required service may be provided pursuant to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service and the CPS Energy Policy for Gas Main Extensions and Service Installations.

MONTHLY BILL

Rate

\$ 41.80 Service Availability Charge

\$ 0.49414 Per CCF for the first 6,000 CCF

\$ 0.41370 Per CCF for all additional CCF

1 CCF equals 100 cubic feet

Minimum Bill

\$41.80 for all Customers whose monthly billed consumption never equals or exceeds 10,000 CCF in a single billing month. \$392.60 for all Customers whose monthly billed consumption is equal to or exceeds 10,000 CCF in a single billing month. This amount for the Minimum Bill will be continued for eleven (11) consecutive months after the most recent month in which the billing consumption was equal to or greater than 10,000 CCF. A higher Minimum Bill may be specified in the Customer's Application and Agreement for Gas Service. The Minimum Bill is not subject to reduction by credits allowed under the adjustments below.

Adjustments

Plus or minus an amount which reflects the difference in the unit gas cost factor for the current month above or below a basic cost of \$0.220 per CCF sold. The unit gas cost factor for the current month is computed as the sum of:

- (a) The current month's estimated unit gas cost per CCF, which is computed based upon the current month's estimated CCF purchases, unit gas cost by supplier, any known changes in gas cost, and pipeline losses; plus
- (b) An adjustment, if indicated by the current status of the over and under recovery of gas costs for the recovery year in progress, to correct for the difference between the preceding month's estimated unit gas cost and the current computation for this value. This adjustment is computed by multiplying the difference between the preceding month's estimated unit gas cost (corrected for any gas supplier surcharge) and the current computation for this value times the CCF purchased during the preceding month and then dividing the result by the current month's estimated CCF sales; plus
- (c) An adjustment, if indicated by the current status of the over and under recovery of gas costs for the recovery year in progress, to correct for the difference between the preceding month's estimated value for the second preceding month's unit gas cost and actual unit gas cost for that month. This adjustment is computed by multiplying the difference between the preceding month's estimated value for the second preceding month's unit gas cost and the actual unit gas cost for that month (corrected for any gas supplier surcharge) times the CCF purchased during the preceding month and then dividing the result by the current month's estimated CCF sales; plus

- (d) An adjustment, as necessary, which may be derived and applied to the unit gas cost factors during the months preceding, including, and/or following August each year, depending on the dollar amount of adjustment necessary to balance the annual cumulative actual gas cost with the annual cumulative gas cost recovery through these rates; plus
- (e) An adjustment to reflect offsetting credits to or additions to gas costs resulting from judicial orders or settlements of legal proceedings affecting gas costs or components thereof, including taxes or transportation costs, or to reflect accounting and billing record corrections or other out-of-period adjustments to gas costs.

Plus or minus an adjustment, as necessary, which may be applied to the unit cost factors for amortization of a regulatory asset. The adjustment comprises allowable costs that are defined by City of San Antonio Ordinance No. [Insert Number] authorizing the regulatory asset and recovery of such costs subject to *Accountability Procedures* as set forth within the same city ordinance.

Plus or minus the proportionate part of the increase or decrease in taxes, required payments to governmental entities or for governmental or municipal purposes which may be hereafter assessed, imposed, or otherwise required and which are payable out of or are based upon revenues of the gas system.

If customer engages in an activity that is not a qualifying use of CPS Energy's gas distribution system per Internal Revenue Service provisions, the Customer will be charged appropriate cost recovery which may differ from the Adjustments stated above.

LATE PAYMENT CHARGE

The Monthly Bill will be charged if payment is made within the period indicated on the bill. Bills not paid within this period will be charged an additional 2 percent times the Monthly Bill excluding the adjustment for gas costs, garbage fees and sales taxes.

TERM OF SERVICE

Service shall be supplied for an initial period of not less than one year and shall be continued from year to year unless a longer period is specified in the CPS Energy Application and Agreement for Gas Service. Should a Customer's service requirement exceed the standard of service normally provided under this rate, a longer contract term may be required.

TERMS AND CONDITIONS

Service is subject to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service which are incorporated herein by this reference.

CURTAILMENT

CPS Energy shall have the right at any and all times to immediately adjust in whole or in part, the supply of gas to Customers, in order to adjust to gas supplies available for resale or to adjust to other factors affecting delivery capability.

CPS Energy

LARGE VOLUME

GAS RATE

LVG

APPLICATION

This rate is applicable to gas service supplied through one metering station for fuel used (a) for commercial services, (b) for industrial, manufacturing or processing purposes, or for steam generation for power purposes, including auxiliary apparatus used exclusively for manufacturing or processing purposes, or (c) for heating and/or cooling plants.

This rate is not applicable to gas supplied for:

- (1) standby service
- (2) resale
- (3) single family residential units.

TYPE OF SERVICE

Natural gas will be supplied at a nominal gauge pressure of four ounces per square inch. If natural gas is metered at a pressure higher than four ounces, measurements will be adjusted to the equivalent of four ounces. When mains of adequate capacity and suitable pressure are not adjacent to the premises served or to be served, the required service may be provided pursuant to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service and the CPS Energy Policy for Gas Main Extensions and Service Installations.

MONTHLY BILL

<u>Rate</u>	
\$ 392.60	Service Availability
	<u>Demand Charge</u>
	Winter Billing (December-March)
\$ 1.31	Per CCF/Day of Billing Demand
	Non-Winter Billing (April-November)
\$ 0.99	Per CCF/Day of Billing Demand
	<u>Energy Charge</u>
\$ 0.33082	Per CCF for all CCF
	1 CCF equals 100 cubic feet

Billing Demand

For the winter period December through March, the Billing Demand (CCF/Day) shall be equal to the greatest of the following:

- a) the monthly metered consumption divided by days in the billing period
- b) 600 CCF/Day
- c) such higher demand (CCF/Day) as may be specified in the Customer's Application and Agreement for Gas Service.

For the non-winter period April through November, the Billing Demand (CCF/Day) shall be equal to the greatest of the following:

- a) the maximum billing demand (CCF/Day) as established during the previous winter period months of December through March
- b) 600 CCF/Day
- c) such higher demand (CCF/Day) as may be specified in the Customer's Application and Agreement for Gas Service.

For new customers having no winter CCF usage history, the billing demand (CCF/Day) as defined above shall be equal to the greater of (b) or (c) as defined herein.

Minimum Bill

The Minimum Bill shall be equal to the Service Availability Charge plus the Demand Charge (Winter Billing or Non-Winter Billing as the case may be) or such higher Minimum Bill as may be specified in the Customer's Application and Agreement for Gas Service. The Minimum Bill is not subject to reduction by credits allowed under the adjustments below.

Adjustments

Plus or minus an amount which reflects the difference in the unit gas cost factor for the current month above or below a basic cost of \$0.220 per CCF sold. The unit gas cost factor for the current month is computed as the sum of:

- (a) The current month's estimated unit gas cost per CCF, which is computed based upon the current month's estimated CCF purchases, unit gas cost by supplier, any known changes in gas cost, and pipeline losses; plus
- (b) An adjustment, if indicated by the current status of the over and under recovery of gas costs for the recovery year in progress, to correct for the difference between the preceding month's estimated unit gas cost and the current computation for this value. This adjustment is computed by multiplying the difference between the preceding month's estimated unit gas cost (corrected for any gas supplier surcharge) and the current computation for this value times the CCF purchased during the preceding month and then dividing the result by the current month's estimated CCF sales; plus
- (c) An adjustment, if indicated by the current status of the over and under recovery of gas costs for the recovery year in progress, to correct for the difference between the preceding month's estimated value for the second preceding month's unit gas cost and actual unit gas cost for that month. This adjustment is computed by multiplying the difference between the preceding month's estimated value for the second preceding month's unit gas cost and the actual unit gas cost for that month (corrected for any gas supplier surcharge) times the CCF purchased during the preceding month and then dividing the result by the current month's estimated CCF sales; plus
- (d) An adjustment, as necessary, which may be derived and applied to the unit gas cost factors during the months preceding, including, and/or following August each year, depending on the dollar amount of adjustment necessary to balance the annual cumulative actual gas cost with the annual cumulative gas cost recovery through these rates; plus
- (e) An adjustment to reflect offsetting credits to or additions to gas costs resulting from judicial orders or settlements of legal proceedings affecting gas costs or components thereof, including taxes or transportation costs, or to reflect accounting and billing record corrections or other out-of-period adjustments to gas costs.

Plus or minus an adjustment, as necessary, which may be applied to the unit cost factors for amortization of a regulatory asset. The adjustment comprises allowable costs that are defined by City of San Antonio Ordinance No. [Insert Number] authorizing the regulatory asset and recovery of such costs subject to *Accountability Procedures* as set forth within the same city ordinance.

Plus or minus the proportionate part of the increase or decrease in taxes, required payments to governmental entities or for governmental or municipal purposes which may be hereafter assessed, imposed, or otherwise required and which are payable out of or are based upon revenues of the gas system.

If the Customer engages in an activity that is not a qualifying use of CPS Energy's gas distribution system per Internal Revenue Service provisions, the Customer will be charged appropriate cost recovery which may differ from the Adjustments stated above.

LATE PAYMENT CHARGE

The Monthly Bill will be charged if payment is made within the period indicated on the bill. Bills not paid within this period will be charged an additional 2 percent times the Monthly Bill excluding the adjustment for gas costs, garbage fees and sales taxes.

TERM OF SERVICE

Service shall be supplied for an initial period of not less than one year and shall be continued from year to year unless a longer period is specified in the CPS Energy Application and Agreement for Gas Service. Should a Customer's service requirement exceed the standard of service normally provided under this rate, a longer contract term may be required.

TERMS AND CONDITIONS

Service is subject to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service which are incorporated herein by this reference.

CURTAILMENT

CPS Energy shall have the right at any and all times to immediately adjust in whole or in part, the supply of gas to Customers, in order to adjust to gas supplies available for resale or to adjust to other factors affecting delivery capability.

CPS Energy

COMPRESSION STATION FOR VEHICLES

GAS RATE

CSV

APPLICATION

This rate is applicable exclusively to gas service supplied through one meter to stations compressing natural gas for vehicular use.

TYPE OF SERVICE

Natural gas will be supplied at a nominal gauge pressure of four ounces per square inch. If natural gas is metered at a pressure higher than four ounces, measurements will be adjusted to the equivalent of four ounces. When mains of adequate capacity and suitable pressure are not adjacent to the premises served or to be served, the required service may be provided pursuant to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service and the CPS Energy Policy for Gas Main Extensions and Service Installations.

MONTHLY BILL

Rate

\$ 0.36854 Per CCF for all CCF

1 CCF equals 100 cubic feet

Minimum Bill

\$392.60 per month or as specified in the Customer's Application and Agreement for Service.

Adjustments

Plus or minus an amount which reflects the difference in the unit gas cost factor for the current month above or below a basic cost of \$0.220 per CCF sold. The unit gas cost factor for the current month is computed as the sum of:

- (a) The current month's estimated unit gas cost per CCF, which is computed based upon the current month's estimated CCF purchases, unit gas cost by supplier, any known changes in gas cost, and pipeline losses; plus
- (b) An adjustment, if indicated by the current status of the over and under recovery of gas costs for the recovery year in progress, to correct for the difference between the preceding month's estimated unit gas cost and the current computation for this value. This adjustment is computed by multiplying the difference between the preceding month's estimated unit gas cost (corrected for any gas supplier surcharge) and the current computation for this value times the CCF purchased during the preceding month and then dividing the result by the current month's estimated CCF sales; plus
- (c) An adjustment, if indicated by the current status of the over and under recovery of gas costs for the recovery year in progress, to correct for the difference between the preceding month's estimated value for the second preceding month's unit gas cost and actual unit gas cost for that month. This adjustment is computed by multiplying the difference between the preceding month's estimated value for the second preceding month's unit gas cost and the actual unit gas cost for that month (corrected for any gas supplier surcharge) times the CCF purchased during the preceding month and then dividing the result by the current month's estimated CCF sales; plus
- (d) An adjustment, as necessary, which may be derived and applied to the unit gas cost factors during the months preceding, including, and/or following August each year, depending on the dollar amount of adjustment necessary to balance the annual cumulative actual gas cost with the annual cumulative gas cost recovery through these rates; plus
- (e) An adjustment to reflect offsetting credits to or additions to gas costs resulting from judicial orders or settlements of legal proceedings affecting gas costs or components thereof, including taxes or transportation costs, or to reflect accounting and billing record corrections or other out-of-period adjustments to gas costs.

Plus or minus an adjustment, as necessary, which may be applied to the unit cost factors for amortization of a regulatory asset. The adjustment comprises allowable costs that are defined by City of San Antonio Ordinance No. [Insert Number] authorizing the regulatory asset and recovery of such costs subject to *Accountability Procedures* as set forth within the same city ordinance.

Plus or minus the proportionate part of the increase or decrease in taxes, required payments to governmental entities or for governmental or municipal purposes which may be hereafter assessed, imposed, or otherwise required and which are payable out of or are based upon revenues of the gas system.

LATE PAYMENT CHARGE

The Monthly Bill will be charged if payment is made within the period indicated on the bill. Bills not paid within this period will be charged an additional 2 percent times the Monthly Bill excluding the adjustment for gas costs, garbage fees and sales taxes.

TERM OF SERVICE

Service shall be supplied for an initial period of not less than one year and shall be continued from year to year unless a longer period is specified in the CPS Energy Application and Agreement for Gas Service. Should a Customer's service requirement exceed the standard of service normally provided under this rate, a longer contract term may be required.

TERMS AND CONDITIONS

Service is subject to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service which are incorporated herein by this reference.

CURTAILMENT

CPS Energy shall have the right at any and all times to immediately adjust in whole or in part, the supply of gas to Customers, in order to adjust to gas supplies available for resale or to adjust to other factors affecting delivery capability.

CPS Energy

NATURAL GAS TRANSPORTATION SERVICE

GAS TRANSPORTATION RATE

NGT

APPLICATION

This rate is applicable only to Customers for whom a separate contract or agreement (Service Agreement) between CPS Energy and the Customer exists for the transportation of Customer-owned natural gas (Gas) through CPS Energy facilities for delivery to the Customer for the Customer's own use. Customers whose Gas is transported through CPS Energy facilities will be subject to the rates and other specifications included herein, as well as those in the Service Agreement, CPS Energy's Statement of Operating Conditions for Gas Transportation Service, and in other rate schedules, policies, terms and conditions of CPS Energy which are referenced herein.

This rate is available to Customers who otherwise would qualify for service under Gas Rates Class B or LVG. This rate is not available to transportation of Gas for: (1) resale by Customer, (2) standby Gas service, or (3) service to electric self-generator Customers. Nevertheless, this rate is applicable and available to: (1) Customers who compress the Gas for subsequent sale as a vehicular fuel, and to (2) Cogeneration facilities or Small Power Production facilities qualified under the Federal Energy Regulatory Commission Rules. CPS Energy's pipeline transportation capacity under this rate shall be used consistent with the curtailment provisions as specified under the priority system established by the Railroad Commission of Texas, and also to constraints (if any) contained in existing CPS Energy Gas supply contracts.

The Customer is responsible for and shall provide evidence satisfactory to CPS Energy that the Customer has contracted with all appropriate parties and has obtained all necessary clearances and certificates from governmental agencies and others as may be required for the safe and timely delivery of sufficient quantities of Gas to CPS Energy. CPS Energy retains the right to accept or reject a proposed Gas Supplier, as a condition of Gas transportation service under this rate, based on such factors as reliability of Gas supply and general business reliability. Acceptance of a Customer's Gas Supplier by CPS Energy shall not unreasonably be withheld. The point(s) of receipt of Gas to CPS Energy shall be one of the existing CPS Energy gate stations. Other point(s) of receipt may be considered by CPS Energy, if and only if the Customer assumes in writing the responsibility for all additional fixed and continuing costs thereof. Gas transported by CPS Energy shall be redelivered to the Customer through one metering point, or point of redelivery.

TYPE OF SERVICE

Transportation service hereunder consists of CPS Energy receiving Gas from or for the account of Customer at the point(s) of receipt and transporting and delivering such Gas, adjusted for Gas Losses, to the point of redelivery. CPS Energy will receive, transport and redeliver Gas delivered to CPS Energy by Customer in quantities up to the Maximum Daily Quantity (MDQ) and Maximum Hourly Quantity (MHQ) as specified in Customer's Service Agreement. CPS Energy's Statement of Operating Conditions for Gas Transportation Service establishes the operating conditions and related provisions for transportation service hereunder. CPS Energy shall only transport Gas delivered by Customer's Supplier to CPS Energy in quantities no higher or lower than provided for in the Service Agreement. The Customer is responsible for arranging the delivery of Gas to CPS Energy point(s) of receipt in hourly amounts equal to those metered at the point of redelivery plus Gas Losses.

Gas Losses are quantities of Gas retained by CPS Energy to compensate for losses and unaccounted for quantities on the CPS Energy pipeline system, and are calculated as a percentage of the Gas delivered by Customer's Suppliers to CPS Energy for Customer's account at the point(s) of receipt. The applicable Gas Losses percentage hereunder is deemed to be two percent (2%).

All Gas banking and balancing shall be the responsibility of the Customer. Customer shall provide evidence acceptable to CPS Energy of Customer's Gas banking and balancing arrangements. In the event any imbalance occurs on the CPS Energy pipeline system, such imbalance shall be resolved in accordance with the applicable provisions of CPS Energy's Statement of Operating Conditions for Gas Transportation Service.

CPS Energy will require each Gas transportation Customer to assume initial and continuing cost responsibilities for on-line Gas volumetric metering facilities located at the points of redelivery to the Customer and (if necessary) at the points of delivery to CPS Energy, for associated computing facilities used in storing and using the on-line volumetric data, and also for on-line data telemetric delivery to the data processing facilities as required by CPS Energy in order to properly compute billings. Said facilities shall be specified and owned by CPS Energy, and shall be capable of hourly volumetric measurements of Gas redelivered to the Customer.

TERM OF SERVICE

The term of service hereunder shall be a minimum of five (5) years and shall begin on the day the Service Agreement is executed. Prior to the end of the term the Customer shall either renew or extend the Service Agreement (subject to the Service Agreement terms in effect at the time of renewal or to revised terms at the discretion of CPS Energy) for an additional five (5) year term, or shall apply for a full requirements Gas service rate. Applicants for full requirements Gas service will be subject to the Gas availability constraints that may exist at the time. Should a Customer’s service requirement exceed the standard of service normally provided under this rate, a longer contract term may be required.

MONTHLY BILL

Rate

\$ 1,038.50 Service Availability Charge

Demand Charge

\$ 1.30 Winter Billing (December-March)
Per CCF/Day of Billing Demand

\$ 0.99 Non-Winter Billing (April-November)
Per CCF/Day of Billing Demand

Volume Charge

\$ 0.06231 Per CCF for all CCF

1 CCF equals 100 cubic feet

Billing Demand

The Billing Demand (CCF/Day) shall be equal to the greatest of the following:

- a) the metered maximum demand (CCF/Day) registered during the month.
- b) the maximum demand (CCF/Day) registered during any winter month (December through March) of the preceding eleven months.
- c) such higher demand (CCF/Day) as may be specified in the Customer's Service Agreement.

Charges Established by Contract

The charges for transportation service provided under this Schedule may be established by contract at levels other than the Monthly Bill set out above. Alternate and/or additional charges may be set by contract with a Customer who otherwise qualifies for and elects Gas transportation service if the Customer provides evidence satisfactory to CPS Energy establishing at least one of the following: 1) the Customer has the intention and capability of bypassing CPS Energy's facilities absent availability of a more competitive level of charges; 2) the Customer's location of new facilities in CPS Energy's Gas service area is contingent upon availability of a more competitive level of charges; or 3) the Customer's economic situation for its existing facilities served by CPS Energy's Gas system will require the closure or relocation of the facilities absent availability of a more competitive level of charges. If the foregoing qualification is met, the Customer shall enter into a contract with CPS Energy specifying the nature of the service to be supplied, the price to be paid, and such other terms and conditions as are mutually agreeable. Such contracts shall be treated on a confidential basis, to the extent allowed by law. In connection with negotiation of customer contracts pursuant to this provision, CPS Energy shall not establish for such service a price below the incremental costs over the term of the contract plus a reasonable contribution toward the system costs.

MINIMUM BILL

The Minimum Bill shall consist of the charges computed as detailed herein, plus any adjustments or additional charges, including initial required payments and monthly continuing payments, which are due at the time the Service Agreement is executed. The Minimum Bill may differ from the charges computed as detailed herein as may be specified in the Service Agreement. The Minimum Bill is not subject to reduction by credits allowed under the adjustments below.

ADJUSTMENTS

An adjustment shall be made as follows: plus or minus the proportionate part of the increase or decrease in taxes, required payments to governmental entities or for governmental or municipal purposes which may be hereafter assessed, imposed, or otherwise required and which are payable out of or are based upon revenues of the Gas system.

LATE PAYMENT CHARGE

The Monthly Bill will be charged if payment is made within the period indicated on the bill. Bills not paid within this period will be charged an additional one (1) percent of the unpaid balance.

TERMS AND CONDITIONS

Service is subject to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service which are incorporated herein by this reference. Said Terms and Conditions are subordinate to this rate and to the Service Agreement.

CPS Energy

RIDER G1

SCHOOL HEATING BOILER SERVICE

This rider is available only to the heating boiler load of tax supported schools when separately metered. All the terms of GAS RATE CLASS B apply with the following exceptions:

- (a) The monthly Service Availability Charge will be \$20.89 during the months of May through October.
- (b) The monthly Minimum Bill will be the Service Availability Charge.

The Customer must provide, at Customer expense, all the house piping and connections necessary to install a CPS Energy meter to separately measure the heating boiler load.

CPS Energy

RIDER G4

RESIDENTIAL AFFORDABILITY DISCOUNT

APPLICATION

This rider is available only in conjunction with the GENERAL SERVICE (G) RATE to residential customers who meet the following eligibility requirements:

- Income at or below 125% of Federal Poverty guidelines and
- At least one of the following categories:
 - Individuals 60 years of age and older; or
 - Individuals with Disabilities; or
 - Families with pre-school aged children or children in school 18 years or younger; or
 - Life sustaining medical equipment; or
 - Other households with extenuating circumstances as identified by CPS Energy and the City of San Antonio

MONTHLY BILL

The monthly bill will be calculated in accordance with the CPS Energy General Service (G) Rate less an affordability discount of \$4.47.