

**RELOCATION COST RECOVERY**

**A. APPLICABILITY**

This Relocation Cost Recovery ("RCR") rate schedule shall apply to the following rate schedules for all incorporated areas served by the Company in its Central Texas Service Area which includes Austin, Cedar Park, Kyle, Rollingwood, Sunset Valley and West Lake Hills, Texas: 10, 20, 22, 30, 32, 40, 42, 48, CNG-1 and T-1.

**B. PURPOSE**

Section 104.112 of the Texas Utility Code, effective on September 1, 1999, allows recovery of the costs of relocating natural gas facilities to accommodate construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain that are not reimbursed by the entity requiring the relocation. This rate schedule establishes the cost recovery provisions consistent with Subchapter C, Chapter 104, Texas Utilities Code. RCR rates shall be established through applications filed with the regulatory authority (Section E) consistent with this rate schedule.

**C. COMPUTATION OF RCR RATE**

The RCR rate for a given recovery period will be calculated according to the following formula:

$$\text{RCR Rate} = \frac{\text{CPRC} + \text{PPRC}}{\text{NV}}$$

CPRC = Relocation costs for the current recovery period.

PPRC = Under collection or over collection from any prior RCR rates.

NV = Normalized volumes (in Ccf) for the recovery period (for the applicable rate schedules).

Recovery Period = No less than one year or more than three years.

RCR rates may be revised each quarter.

All applicable fees and taxes will be added to the RCR rates.

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(continued)

**D. BILLING**

The RCR rate, pursuant to Rate Schedule RCR-RIDER, shall be included as a separate adjustment (per Ccf rate) to the base bill for the rate schedules listed in Section A above.

**E. FILING WITH THE REGULATORY AUTHORITY**

No less than thirty-five days before implementation of an RCR rate, the Company shall file an application with the appropriate regulatory authority that shall include the following:

1. Documentation demonstrating the requirement of each relocation.
2. Documentation demonstrating the entity requesting each relocation.
3. Schedules showing the costs incurred for each project, considering the costs of comparable facilities.
4. The RCR rate to be implemented with supporting calculations.
5. Documentation demonstrating that reasonable efforts were made to receive reimbursement from the entity requiring each relocation, if applicable.
6. A schedule showing RCR collections, including any over or under collections from prior RCR rate applications.