**SMALL COMMERCIAL SERVICE RATE**

**APPLICABILITY**

Applicable to all small commercial customers and to customers not otherwise specifically provided for under any other rate schedule.

**TERRITORY**

All incorporated areas served by the Company, as listed in the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 1.1.

**COST OF SERVICE RATE**

During each monthly billing period, the Cost of Service Rate shall be comprised of:

A customer charge per meter per month of $75.00 plus

All Ccf metered @14.65 psi\* during the per monthly billing period @ $0.43589 per Ccf

\*All customers will be billed at a Common Billing Pressure of 14.65 psi, but not all customers receive service at the pressure base of 14.65 psi. To determine the pressure base and conversion factors for your location, refer to the Company's Rules of Service (Rate Schedule Number QSR-TGS), Section 13.1.

The Company will initially assign each customer to the rate schedule that is the most economical based on the annual normalized volume at the customer’s service location for the prior twelve (12)-month period. An anticipated annual normalized usage level assessment will be conducted on each new service and for existing service that has less than twelve (12) months of service. The results of this assessment will decide the initial rate assignment:

|  |  |
| --- | --- |
| Annual Normalized Volume Less than 3,001 Ccf | Small Commercial, Rate Schedule 20 |
| Annual Normalized Volume 3,001 Ccf or Greater | Large Commercial, Rate Schedule 25 |

The Company will allow customers to elect service on a different rate schedule, provided that the customer must remain on the alternative rate schedule for a period of no less than twelve (12) months. Rate Schedule changes will be effective with the customer’s next scheduled bill.

**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 1-INC.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedules PIT and PIT-Rider.

**SMALL COMMERCIAL SERVICE RATE (Continued)**

Pipeline Safety and Regulatory Program Fees: The billing shall reflect adjustments in accordance with provisions of the Pipeline Safety and Regulatory Program Fees Rider, Rate Schedule PSF.

Rate Case Expense Riders: The billing shall reflect adjustments in accordance with provisions of the Rate Case Expense Surcharge Riders, Rate Schedules RCE-TGS and RCE, if applicable.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

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

Economic Development Rider: The billing shall reflect adjustments in accordance with provisions of the Economic Development Rider, Rate Schedule EDR, only applicable to the incorporated areas of Anthony, Clint, El Paso, Horizon City, San Elizario, Socorro and Vinton, Texas.

**CONDITIONS**

Subject to all applicable laws and orders, and the Company’s rules and regulations on file with the regulatory authority.