Pidenorel # 2

AN ORDINANCE GRANTING TO LONE STAR GAS COMPANY, A CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO FURNISH AND SUPPLY GAS TO THE GENERAL PUBLIC IN THE TOWN OF ANGUS, NAVARRO COUNTY, TEXAS, FOR THE TRANSPORTING, DELIVERY, SALE AND DISTRIBUTION OF GAS IN, OUT OF, AND THROUGH SAID MUNICIPALITY FOR ALL PURPOSES; PROVIDING FOR THE PAYMENT OF A FEE OR CHARGE FOR THE USE OF THE STREETS, ALLEYS AND PUBLIC WAYS; PROVIDING THAT IT SHALL BE IN LIEU OF OTHER FEES AND CHARGES, EXCEPTING AD VALOREM TAXES; AND REPEALING ALL PREVIOUS GAS FRANCHISE ORDINANCES.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF ANGUS TEXAS:

SECTION 1. That the Town of Angus Texas, hereinafter called "Town," hereby grants to Lone Star Gas Company, hereinafter called "Company," its successors and assigns, consent to use and occupy the present and future streets, alleys, highways, public places, public thoroughfares and grounds of Town for the purpose of laying, maintaining, constructing, operating and replacing therein and thereon pipelines and all other appurtenant equipment needed and necessary to deliver gas in, out of, and through said Town and to sell gas to persons, firms and corporations, including all the general public, within the Town's corporate limits, said consent being granted for a term of twenty-five (25) years from and after the date of the final passage and approval of this ordinance.

SECTION 2. Company shall lay, maintain, construct, operate and replace its pipes, mains, laterals and other equipment so as to interfere as little as possible with traffic and shall promptly clean up and restore to an approximate original condition, at its cost, all thoroughfares and other surfaces which it may disturb. The location of all mains, pipes, laterals and other appurtenant equipment shall be fixed under the supervision of the Town Council or an authorized committee or agent appointed by said Council.

SECTION 3. When Company shall make or cause to be made excavations or shall place obstructions in any street, alley or other public place, the public shall be protected by barriers and lights placed, erected and maintained by Company; and in the event of injury to any person or damage to any property by reason of the construction, operation or maintenance of the gas distributing plant or system of Company, Company shall indemnify and keep harmless Town from any and all liability in connection therewith. Company shall repair, clean up and restore to an approximate original condition all streets and alleys disturbed during the construction and repair of its gas distributing system.

SECTION 4. In addition to the rates charged for gas supplied, Company may make and enforce reasonable charges, rules and regulations for service rendered in the conduct of its business, including a charge for services rendered in the inauguration of natural gas service, and may require, before furnishing service, the execution of a contract therefor. Company shall have the right to contract with each customer with reference to the installation of, and payment for, any and all of the gas piping from the connection thereof

with the Company's main in the streets or alleys to and throughout the consumer's premises. Company shall own, operate and maintain all service lines which are defined as the supply lines from the Company's main to the consumer's curb line when mains are located in the streets and to the consumer's property line when mains are located in the alleys. The consumer shall own, operate and maintain all yard lines and house piping. Yard lines are defined as the underground supply lines extending from the point of connection with Company's service line to the point of connection with consumer's house piping.

SECTION 5. Company shall not be required to extend mains on any street more than fifty (50) feet for any one consumer of gas.

SECTION 6. Company shall be entitled to require from each and every consumer of gas, before gas service is commenced, a deposit of twice the amount of an estimated average monthly bill, which said deposit may be retained by Company until service is discontinued and all bills therefor have been paid. Company shall then return said deposit to the consumer, together with six percent (6%) interest thereon from the date of said deposit up to the date of discontinuance of service. Company shall be entitled to apply said deposit, with accrued interest, to any indebtedness owed Company by the consumer making the deposit.

SECTION 7. The rights, privileges and franchises granted by this ordinance are not to be considered exclusive, and Town hereby expressly reserves the right to grant, at any time, like privileges, rights and franchises as it may see fit to any other person or corporation for the purpose of furnishing gas for light, heat and power to and for Town and the inhabitants thereof.

SECTION 8. Company shall furnish reasonably adequate service to the public at reasonable rates and charges therefor; and Company shall maintain its property, equipment and appliances in good order and condition.

SECTION 9. Company, its successors and assigns, agrees to pay and Town agrees to accept, on or before the 1st day of March, 1974, and on or before the same day of each succeeding year during the life of this franchise, up to and including the year 1998 a sum of money which shall be equivalent to two percent (2%) of the gross receipts received by Company from the sale of gas to its domestic and commercial consumers within the corporate limits of said Town (expressly excluding, however, receipts derived from sales to industrial and governmental users and consumers in said Town), for the preceding calendar year, which annual payment shall be for the rights and privileges herein granted to Company including expressly, without limitation, the right to use the streets, alleys and public ways of said Town. And it is also expressly agreed that the aforesaid annual payment shall be in lieu of any and all other and additional occupation taxes, easement and franchise taxes, or charges (whether levied as an ad valorem, special or other character of tax or charge), in lieu of municipal license and inspection fees, street taxes and street or alley rentals or charges, and all other and additional municipal taxes, charges, levies, fees and rentals of whatsoever kind and character which Town may impose or hereafter be authorized to levy and collect, excepting only the usual general or special ad valorem taxes, which Town is authorized to levy and impose upon real and personal property. Should Town not have

the legal power to agree that the payment of the foregoing sums of money shall be in lieu of taxes, licenses, fees, street or alley rentals or charges, easement or franchise taxes or charges aforesaid, then Town agrees that it will apply so much of said sums of money paid as may be necessary to satisfy Company's obligations, if any, to pay any such taxes, licenses, charges, fees, rentals, easement or franchise taxes or charges.

In order to determine the gross receipts received by Company from the sale of gas (expressly excluding the sale of gas to industrial and governmental consumers) within the corporate limits of Town, Company agrees that on the same date that payments are made as provided in the preceding paragraph of this Section 9, it will file with the Town Clerk a sworn report showing the gross receipts received from the sale of gas to its domestic and commercial consumers within said corporate limits for the calendar year preceding the date of payment. Town may, if it sees fit, have the books and records of Company examined by a representative of said Town to ascertain the correctness of the sworn reports agreed to be filed herein.

Receipts from sales to governmental users or consumers shall include all those receipts derived from the sale of gas to federal, state, county or city governments or branches and subdivisions thereof, school districts or other similar districts, it being the intention to include within the term "governmental users and consumers" all tax-supported institutions owned or operated directly or indirectly by said governments and branches or subdivisions thereof, such as schools, colleges, hospitals, eleemosynary institutions, army or training camps, airports, courthouse, city hall and other institutions of like or similar kind and character.

"Industrial users or consumers," as herein used, are those generally and commonly classified as such by Company.

The payment herein provided shall be for the period January 1 to December 31 of the respective year that the payment is made.

SECTION 10. When this franchise ordinance shall have become effective, all previous ordinances of said Town granting franchises for gas distribution purposes which were held by Company shall be automatically cancelled and annulled, and shall be of no further force and effect.

SECTION 11. Company shall file its written acceptance of this franchise ordinance within sixty (60) days after its final passage and approval by said Town.

PASSED AND APPROVED on this the 12 day of Manender A.D. 1973.

ATTEST:

Secretary

Mayor

Town of Angus, Texas

| STATE OF TEXAS | X | | | |
|---|---|---|---|-------------------|
| COUNTY OF NAVARRO | X | | | |
| Navarro County, Texas a true and correct co Town of Angus, Texas, Your Council in Book | of, do hereby certically of an ordinance at a <u>ligular</u> 19 73, as it app | fy that the abo e passed by the session, held ears of record | Town Council of to on the 124 day in the Minutes of | she of said |
| Maxember. | HAND AND SEAL OF A. D. 1973. | SAID TOWN this | the 13 H day o | Ž |
| | | m | Ino Elo | |

Secretary Town of Angus, Texas STATE OF TEXAS
COUNTY OF DALLAS

WHEREAS, there was finally passed and approved on Movember 12, 1973, an ordinance granting to Lone Star Gas Company, a corporation, its successors and assigns, a franchise to furnish and supply gas to the general public in the Town of Angus, Mavarro County, Texas, and the environs thereof, which is recorded in Book 1, Page 6 of the Minutes of the Town Council of said Town; and

WHEREAS, Section 11 of said ordinance provides, as follows:

"SECTION 11. Company shall file its written acceptance of this franchise ordinance within sixty (60) days after its final passage and approval by said Town."

AND, WHEREAS, it is the desire of Lone Star Gas Company, the holder of the rights, privileges and grants under the aforesaid franchise ordinance, to comply with the above-quoted provisions of Section 11 there-

NOW, THEREFORS, premises considered, Lone Star Gas Company, acting by and through its duly authorized officers, and within the time prescribed by Section 11 quoted above, does hereby agree to and accept the franchise granted to it by the above-described ordinance, in accordance with its terms, provisions, conditions and requirements, and subject to the stipulations and agreements therein contained.

| | WITESS | The | EXECUTION | HEREOF, | on | this | the | 18th | âsy | of | |
|-----------|---------------|--------------------------------|-----------|---------|----|-------|---------------|--|-----|----|--|
| Decem | ber | haran marana ayan ayan ayan ay | , 19 | 73 | | | | | | | |
| ATTEST: | 21) | | | LONE | 82 | AR GA | 5 C O1 | PANY | | | |
| ASST. COL | S/JAN RPORATE | ery | and | EV | | | el: | gradus Parlaminis artigais programas para para para para para para para pa | nt | - | et sour materiale et en et est inventible et de en est |

STATE OF TEXAS
COUNTY OF NAVARRO

| I, Angus, Texas, do hereby certify that the above and foregoing is a true and |
|---|
| Angus, Texas, do hereby certify that the above and foregoing is a true and |
| correct copy of a formal acceptance of a franchise ordinance finally passed |
| and approved by said Town on Rovember 12, 1973, and of record in Book 1, |
| Page 6 of the Minutes of the Town; and I do further certify that said ac- |
| ceptance has been duly presented to the Town Council and filed in connection |
| with and as a part of said franchise ordinance. |
| |
| OF WHICH, witness my official signature and the seal of said Town |
| on this the day of 19. |
| |
| |
| \sim |
| mrs. De Edens |
| Approximate an animate representative interior consistency of the construction of the |
| Town Secretary |

AN ORDINANCE FIXING AND DETERMINING THE GENERAL SERVICE RATE
TO BE CHARGED FOR SALES OF NATURAL GAS TO RESIDENTIAL AND
COMMERCIAL CONSUMERS WITHIN THE TOWN LIMITS OF
ANGUS
, NAVARRO

COUNTY
THEY AS AND PROVIDING FOR THE MANNER IN WHICH SICH BATE MAY BE

TEXAS, AND PROVIDING FOR THE MANNER IN WHICH SUCH RATE MAY BE CHANGED, ADJUSTED AND AMENDED.

BE IT ORDAINED BY THE

SECTION 1. Effective with the first gas bills rendered from and after thirty (30) days from the date of final passage of this ordinance, the maximum general service rate for sales of natural gas rendered to residential and commercial consumers within the town limits of Angus by Lone Star Gas Company, a Texas corporation, its successors and assigns, is hereby fixed and determined as follows:

First 1,000 cu. ft. or fraction thereof \$2.444 Gross; \$2.20 Net Next 3,000 cu. ft. @ \$1.500 per Mcf Gross; \$1.35 per Mcf Net Next 6,000 cu. ft. @ 1.356 per Mcf Gross; 1.22 per Mcf Net 15,000 cu. ft. @ 1.244 per Mcf Gross; 1.12 per Mcf Net Next 75,000 cu. ft. @ 1.167 per Mcf Gross; 1.05 per Mcf Net All Over 100,000 cu. ft. @ 1.122 per Mcf Gross; 1.01 per Mcf Net

No gas bill will be rendered to any residential or commercial consumer served under the above rate not consuming any gas during any monthly billing period.

ADJUSTMENTS

The amount of each net monthly bill computed at the above-stated rates shall be subject to the following adjustments: Plus or minus the amount of any increase or decrease, respectively, above or below the 42.5 cents per Mcf level in the intracompany city gate charge as authorized by the Railroad Commission of the State of Texas or other regulatory body having jurisdiction for gas delivered to Lone Star Gas Company's distribution system for sale to residential and commercial consumers where such changes are caused by increases or decreases in the cost of gas purchased by the Company; plus an amount equivalent to the proportionate part of any new tax, or increased tax, or any other governmental imposition, rental, fee or charge (except state, county, city and special district ad valorem taxes and taxes on net income) levied, assessed or imposed subsequent to April 1, 1972, upon or allocable to the Company's distribution operations, by any new or amended law, ordinance or contract. Each gross monthly bill shall be adjusted proportionately. Company, at its option, may forego the application of any

adjustment if such adjustment would result in an increase in the monthly bill; however, failure of Company to apply any adjustment shall not constitute a waiver of Company's right from time to time, or at any time, to make any adjustment, in whole or in part, in any subsequent current monthly bill that may be applicable to such bill.

Net rate shall apply to all bills paid within ten days from monthly billing date; gross rate shall be applicable thereafter.

The above rate is applicable to each residential and commercial consumer per meter per month or for any part of a month for which gas is used at the same location.

In addition to the aforesaid rates, Company shall have the right to collect such reasonable charges as are necessary to conduct its business and to carry out its reasonable rules and regulations in effect.

SECTION 2. The rate set forth in Section 1 may be changed and amended by either the Town or Company furnishing gas in the manner provided by law. Service hereunder is subject to the orders of regulatory bodies having jurisdiction, and to the Company's Rules and Regulations currently on file in the Company's office.

SECTION 3. It is hereby found and determined that the meeting at which this ordinance was passed was open to the public, as required by Texas law, and that advance public notice of the time, place and purpose of said meeting was given.

PASSED AND APPROVED on this the 12 day of Manenber, A.D. 1977.

ATTEST:

| Mrs. Joe Elen | Buhart Boher | 10 - 1 |
|---|------------------------|---------|
| Secretary | Mayor Town of Angus | . Texas |
| A SECRETARY AND A SECRETARY CONTRACTOR OF SECRETARY | 101111 01 | , |

| STATE OF TEXAS |
|--|
| COUNTY OF Marano |
| I, May Joe Eden, Secretary of the Town of Influence County Texas, hereby certify that the above and foregoing is a true and correct copy of an ordinance passed and approved by the Lawn Council of the Town of Linguistate at a segular session held on the 12 th day of Markenber , 1973, as it appears of record in the Minutes of said Lawn Cauncil in Book. |
| witness my hand and seal of said town, this the 12 the day of Manender, A. D. 19 3. |
| |

Town of Ingua, Texas

Form 5061 8-7:

STATE OF TEXAS (COUNTY OF DALLAS)

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, acting by and in behalf of Lone Star Gas Company, does certify and state that receipts of the Lone Star Gas Company from business done in the City of Angus, Texas for the calendar year 1973, were as follows, to-wit:

Domestic and Commercial Receipts less Governmental

\$2,969.14

The undersigned certifies that the above information is true and correct, to the best of his knowledge and belief.

Witness the execution hereof this $\frac{22}{d}$ ay of February

1974。

Asst. Corporate Secretary

Sworn and subscribed to before me, a Notary Public in and for Dallas County, Texas

Notary Public in and for Dallas County, Texas

Date: 2/27/74

City of Angus Navarro County

This will acknowledge receipt of check #46587 in the amount of \$59.38 which covers payment of street and alley rental tax for year 1973.

Secretary



301 South Harwood 214/741-3711 Dallas, Texas 75201

LEGAL DEPARTMENT.

W T SATTERWHITE Senior Vice President and General Counsel

Assistant General Counsels
JOHNE McCARTHY
W. DOUGLAS WEISBRUCH

Gnnoral Altorneys EUGENE D WII SON FREDERICK W FRALEY, III JOEN MCCLENDON JEROLD L SCHMIDT

Allorings
J PHILIP BILTON
MANUEL J EDLING
F EDWIN SMITH
GEORGEE REESF JR
RONALD W WILLIAMSON
CLYDE K OLDHAM
DONNIE R DUPLISSEY

HESTERL ANDERS
D DALE GILLETTE
FUGFNE H MOORE
DON M CHRESTMAN
MICHAEL J MAHER
JACK P LEE
PETER R. THOMPSON

August 29, 1974

Mr. Frank P. Youngblood, Director Gas Utilities Division Railroad Commission of Texas P. O. Drawer 12967 - Capitol Station Austin, Texas 78711

Re: Gas Utilities Docket No. 507

Application of Lone Star Gas
Company and LSG Transtexas Gas
Co. for an Increase in Lone Star
Gas Company's Authorized Intracompany City Gate Charge and
Increase the Gas Cost Adjustment

Dear Mr. Youngblood:

Pursuant to the directions extended by you in connection with the Order issued by the Commission in the captioned Docket, we are submitting herewith a revised "Statement of Gas Purchased During Six Months Ended June, 1974." This statement has been revised to reflect the effects of the Commission's Order in GUD 507. The new rate, as you directed, will become effective September 1, 1974.

I am at this time forwarding copies of this letter, as well as the revised statement to all parties of record. In addition, copies of this letter, the revised statement, the Order of the Commission, together with your letter, are being distributed to each of the cities and towns served by Lone Star.

I trust that you will find same to be in order.

Very truly yours,

W. Døuglas Weisbruch

WDW/nm Enclosures

cc: All Parties of Record (with enclosure)

All Cities and Towns Served by Lone Star (with enclosures)

LONE STAR GAS COMPANY TRANSMISSION DIVISION

STATEMENT OF GAS PURCHASED DURING SIX MONTHS ENDED JUNE, 1974
AND DETERMINATION OF AUTHORIZED DOMESTIC CITY GATE RATE*
ADJUSTED FOR CHANGE IN COST OF GAS PURCHASED IN
ACCORDANCE WITH ORDER OF THE RAILROAD COMMISSION
OF TEXAS UNDER DOCKET NO. GUD-453

| Line No. | | | | MCF | | | Averag Price | | , | Amou | nt | |
|-------------|---|------|-----|-----|------------|-------|---------------------|----------|-----|------------|------------|----|
| 1 2 | Purchases From Non-affiliated Supplie Per Books Elimination of Credit Adjustment | rs | 215 | 172 | 369 | | \$.333 | 2 | 71 | 704 | 438 | 67 |
| 3 | Applicable to a Prior Period | | 2 | 318 | 681 | | .250 | 0 | | 579 | 670 | 25 |
| 3 | Less Retroactive Payments Applicable To Periods Prior to January 1, 1974 | | | 12 | 978 | | ~ | | | 824 | 290 | 01 |
| 4 | Plus Retroactive Refunds Applicable To Periods Prior to January 1, 1974 | | | 97 | 877 | | | | , 5 | 156 | 589 | 45 |
| 5 | Total Non-affiliated Purchases - Adjusted | | 217 | 575 | 949 | apr 1 | \$.329 | 2 3 | 71 | 616 | 408 | 36 |
| 6 | Purchases From All Sources Per Books Elimination of Credit Adjustment | | 243 | 695 | 022 | | \$.343 | 5 \$ | 83 | 702 | 776 | 69 |
| 8 | Applicable to a Prior Period Less Retroactive Payments Applicable | | 2 | 318 | 681 | | .250 | 0 | | 579 | 670 | 25 |
| 9 | To Periods Prior to January 1, 1974 Plus Retroactive Refunds Applicable To Periods Prior to January 1, 1974 | | | | 978 877 | | , , _ , , _ _ | | 1 | 189 239 | 694 623 | |
| 10 | Total Gas Purchased - Adjusted | | 246 | | | | \$.338 | 6 \$ | 83 | 332 | | |
| 11 | Lesser of Lines 5 and 10 | | | | | | \$.329 | 2 | | * | | |
| 12 | Average Purchase Price GUD-507 | | | | | | .205 | 3 | | | | |
| 13 | Difference Between Actual and Base Pri | ices | | | | | .123 | 9 | | | | |
| 14 | Gas Cost Adjustment (65% of Line 13) | 6. | | | | | .080. | 5 | | | | |
| 15 | City Gate Rate Authorized Under GUD-50 |)7 | | .• | | | .472 | <u>5</u> | | | | |
| 16 | City Gate Rate - Adjusted To Become Effective September 1, 197 | 74 | | | | , | \$.553 | <u>L</u> | | | | |

^{*}Intracompany charge for gas delivered to Distribution Division for sale to residential and commercial customers and for distribution unaccounted-for gas.

I hereby certify that the above is true and correct to the best of my knowledge and belief.

For: Lone Star Gas Company

By:

Title: Rate Officer

and Assistant Controller

Date: August 28, 1974

RAILROAD COMMISSION OF TEXAS

GAS UTILITIES DIVISION

JIM C. LAHGDOII, Chairman BEN RAMSEY, Commissioner MACK WALLACE, Commissioner



FRANK YOUNGBLOOD

ERNEST O. THOMPSON BUILDING

CAPITOL STATION - P. O. DRAWER 12067

USTIN, TEXAS 78711

August 28, 1974

TO ALL PARTIES OF RECORD

RE: GAS UTILITIES DOCKET NO. 507:
APPLICATION OF LONE STAR GAS CO.
AND LSG TRANSTEXAS GAS COMPANY
FOR AN INCREASE IN LONE STAR GAS
COMPANY'S AUTHORIZED INTRACOMPANY
CITY GATE CHARGE AND INCREASE THE

GAS COST ADJUSTMENT.

Gentlemen:

Please find attached a final order in the above-styled and numbered cause.

The effect of this order is to immediately increase the present city gate rate as authorized in Gas Utilities Docket No. 453. Lone Star Gas Company is hereby requested to refill a new "Statement of Gas Purchased During Six Months Ended June, 1974", which will become effective September 1, 1974. Upon filing and approval by the Commission the new city gate rate will become effective as of September 1, 1974.

Very truly yours,

Frank P. Youngblood Director-Gas Utilities

FPY: GWF/kp

Attachment

RAILROAD COMMISSION OF TEXAS

GAS UTILITIES DIVISION

IN RE: APPLICATION OF LONE STAR GAS COMPANY AND LSG TRANSTEXAS GAS COMPANY FOR AN INCREASE IN LONE STAR GAS COMPANY'S AUTHORIZED INTRACOMPANY CITY GATE CHARGE AND INCREASE THE GAS COST ADJUSTMENT.

GAS UTILITIES

DOCKET NO. 507

ORDER

WHEREAS, in conference the Railroad Commission of Texas took up for consideration the above-styled and numbered cause which was filed on the 11th day of May, 1973, and after due and legal notice of the time and place of hearing having been given to Lone Star Gas Company, to all its customers, and the public generally, hearings were held at the Ernest O. Thompson Building, Austin, Texas.

WHEREAS, the Commission finds that an investigation of the facts, circumstances and issues involved in this proceeding were made; that the Examiners have made and filed a report herein containing their findings of fact, conclusions and recommendations therein, and duly submitted said proceedings.

WHEREAS, Lone Star Gas Company seeks to increase its intracompany city gate charge to 51.8¢ per Mcf for residential and commercial customers based on an application containing four separate elements. First, Lone Star Gas Company seeks to add a new transmission line, Line X, to its existing rate base, recover operating expenses and earn a fair rate of return of 10.24% on Line X. Second, Lone Star Gas Company seeks to include \$9,646,416 in its existing rate base for advance payments and prepayments. Third, Lone Star Gas Company seeks recognition of the increases in its weighted average cost of purchased gas. Fourth, Lone Star seeks to pass on monthly 100% of any increases or decreases in its weighted average gas costs.

WHEREAS, the Commission finds that Lone Star Gas Company's Line X is presently used and useful to the residential and commercial customers served by Lone Star Gas Company; that \$63,000,000 is the fair value of Line X; that 7.25% is a fair and reasonable rate of return on Line X; that the proper allocation of Line X to residential and commercial customers is 25.162% which represents the relationship of residential and commercial annual deliveries to total annual system deliveries; and that Lone Star Gas Company's projected expense data is not sufficient evidence for the Commission to make a determination of reasonable operating expenses for Line X.

WHEREAS, the Commission further finds \$9,646,416 has been expended by Lone Star Gas Company for advance payments and prepayments; and that the proper allocation of payments and prepayments to residential and commercial customers is 25.162% which represents the relationship of residential and commercial annual deliveries to total annual system deliveries.

WHEREAS, the Commission further finds that Lone Star Gas Company's weighted average cost of purchased gas was 20.53¢ per Mcf for the test year; and that the record does not support Lone Star Gas Company's request for a monthly 100% purchased gas adjustment clause.

ACCORDINGLY, IT IS ORDERED BY THE RAILROAD COMMISSION OF TEXAS that the application submitted by Lone Star Gas Company and LSG Transtexas Gas Company be and the same is hereby GRANTED in part.

IT IS FURTHER ORDERED that Lone Star Gas Company's weighted average cost of purchased gas be and is recognized as 20.53¢ per Mcf and the purchased gas adjustment clause established by Commission Order on the 3rd day of March, 1972, in Gas Utilities Docket No. 453 shall continue to be in effect.

IT IS FURTHER ORDERED that \$2,427,231 for advance payments and prepayments be included in the rate base for Lone Star Gas Company.

IT IS FURTHER ORDERED that \$15,852,060 for "Line X" be included in the rate base for Lone Star Gas Company.

IT IS FURTHER ORDERED that the city gate rate to be charged by the Transmission Division of Lone Star Gas Company shall not exceed 47.26¢ per Mcf.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this cause be held open for such other and further orders as may be deemed necessary.

DONE AT AUSTIN, TEXAS, This the 26th day of August, 1974.

RAILROAD COMMISSION OF TEXAS

COMMISSIONER

COMMITCETONED

ATTEST:

SECRELARY, RRC.

P. Baker

LONE STAR GAS COMPANY TRANSMISSION DIVISION

STATEMENT OF GAS PURCHASED DURING SIX MONTHS ENDED DECEMBER, 1973
AND DETERMINATION OF AUTHORIZED DOMESTIC CITY GATE RATE*
ADJUSTED FOR CHANGE IN COST OF GAS PURCHASED IN
ACCORDANCE WITH ORDER OF THE RAILROAD COMMISSION
OF TEXAS UNDER DOCKET NO. GUD-453

| Line No. | | | MCF | | | verage Price | | | Amot | ınt | |
|-------------|---|-------------------|-------------------|-----|-----------------|-----------------|---------|----|------|-----|----|
| 1 2 | Purchases From Non-affiliated Suppliers Per Books Less Purchases Not Entering | | 692 | | \$ | .2291 | Ş | | 162 | | |
| 2 | Transmission System | 11 | 380 | 578 | | .2152 | | 2 | 449 | 341 | 94 |
| 3 | Less Retroactive Payments Applicable To Periods Prior to July 1, 1973 | | 341 | 344 | | | | | 601 | 739 | 68 |
| 4 | Plus Retroactive Refunds Applicable To Periods Prior to July 1, 1973 | www.down.co.co.do | _ | | | _ | | | 177 | 944 | 29 |
| 5 | Total Non-affiliated Purchases - | | | | | | | | | | |
|) | Adjusted | 215 | 970 | 945 | \$ | .2282 | \$ | 49 | 288 | 943 | 65 |
| 6 7 8 | Purchases From All Sources Per Books Less Purchases Not Entering Transmission System Less Retroactive Payments Applicable To Periods Prior to July 1, 1973 Plus Retroactive Refunds Applicable To Periods Prior to July 1, 1973 | | 049 380 341 | 578 | \$ | .2341 | \$ | | | | 94 |
| 10 | Total Gas Purchased - Adjusted | 248 | 327 | 124 | \$ | .2336 | \$ | 58 | 004 | 844 | 30 |
| 11 | Lesser of Lines 5 and 10 | | | | | .2282 | | | | | |
| 12 | Average Purchase Price GUD-419 | | | | in the second | .1629 | | | • | | |
| 13 | Difference Between Actual and Base Prices | | | | and the second | .0653 | | 51 | | | |
| 14 | Gas Cost Adjustment (65% of Line 13) | | | | | .0424 | | | | | |
| 15 | City Gate Rate Authorized Under GUD-419 . | | | | - | .4140 | | | | | |
| 16 | City Gate Rate - Adjusted (To Nearest 0.1c) To Become Effective March 1, 1974 | | | | all or a second | 44/ | .01 1/2 | 4 | | | |

^{*}Intracompany charge for gas delivered to Distribution Division for sale to residential and commercial customers and for distribution unaccounted-for gas.

I hereby certify that the above is true and correct to the best of my knowledge and belief.

For: Lone Star Gas Company

By: Jussian

1974 Title: Vice President and Controller

Date: January 25, 1974

LONE STAR GAS COMPANY TRANSMISSION DIVISION

STATEMENT OF GAS PURCHASED DURING SIX MONTHS ENDED JUNE, 1974
AND DETERMINATION OF AUTHORIZED DOMESTIC CITY GATE RATE*
ADJUSTED FOR CHANGE IN COST OF GAS PURCHASED IN
ACCORDANCE WITH ORDER OF THE RAILROAD COMMISSION
OF TEXAS UNDER DOCKET NO. GUD-453

| | | | | 4.4 | |
|-------------|---|-----------|------------------|------------|------------------------|
| Line No. | | MCF | Average Price | | nount |
| 1 2 | Purchases From Non-affiliated Suppliers Per Books Elimination of Credit Adjustment | 215 172 3 | 369 \$.3332 | 2 \$ 71 70 | 04 438 67 |
| 3 | Applicable to a Prior Period Less Retroactive Payments Applicable | 2 318 6 | .2500 | 57 | 79 670 25 |
| 4 | To Periods Prior to January 1, 1974 Plus Retroactive Refunds Applicable | 12 9 | 78 – | 82 | 24 290 01 |
| _ | To Periods Prior to January 1, 1974 | 97 8 | 377 – | 15 | 56 589 45 |
| 5 | Total Non-affiliated Purchases - Adjusted | 217 575 9 | 49 \$.3292 | 2 \$ 71 61 | 16 408 36 - |
| 6 7 | Purchases From All Sources Per Books Elimination of Credit Adjustment | 243 695 0 | 22 \$.3435 | \$ 83 70 | 2 776 69 |
| 8 | Applicable to a Prior Period Less Retroactive Payments Applicable To Periods Prior to January 1, 1974 | 2 318 6 | \ | | 79 670 25 39 694 42 |
| 9 | Plus Retroactive Refunds Applicable To Periods Prior to January 1, 1974 | 97 8 | 77 – | 23 | 9 623 09 |
| 10 | Total Gas Purchased - Adjusted | 246 098 6 | 02 \$.3386 | \$ 83 33 | 2 375 61 |
| 11 | Lesser of Lines 5 and 10 | | \$.3292 | | |
| 12 | Average Purchase Price GUD-419 | | .1629 | • | |
| 13 | Difference Between Actual and Base Prices Gas Cost Adjustment (65% of Line 13) | | .1081 | | |
| 15 | City Gate Rate Authorized Under GUD-419 | | .4140 | | |
| 16 | City Gate Rate - Adjusted (To Nearest 0.1¢) To Become Effective September 1, 1974 | | \$.522 | 15 | 56 |

^{*}Intracompany charge for gas delivered to Distribution Division for sale to residential and commercial customers and for distribution unaccounted-for gas.

I hereby certify that the above is true and correct to the best of my knowledge and belief.

For: Lone Star Gas Company

By:

Title: Rate Officer and Assistant Controller

Date: July 29, 1974