

**TARIFF FOR GAS SERVICE  
SIENERGY, LP**

**Rate Schedule PGA**

**RATE PGA – PURCHASED GAS ADJUSTMENT**

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Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties

Effective Date: July 1, 2018

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**Application of Schedule**

This Rate Schedule shall apply to all SiEnergy Rate Schedules that incorporate this Rate PGA - Purchased Gas Adjustment provision.

**Purpose and Intent**

This provision is intended to allow collection of the gas purchase costs of SiEnergy, LP, (hereinafter “SiEnergy” or the “Company”) in a manner that will lessen monthly fluctuations in the Purchased Gas Adjustment and ensure that actual costs billed to Customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted-for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent billing methods fail to achieve these goals, the methodology shall be revised and a revised tariff filed to reflect such revisions. SiEnergy will make appropriate regulatory filings and obtain regulatory approvals, as required, before making changes to its rates.

**Definitions**

Purchased Gas Volumes - The volumes of gas, expressed in Mcfs, purchased by the Company and received into the Company’s distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s) - The total cost of Purchased Gas Volumes, as received into the Company’s distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas - The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf.

Billed Gas Volumes - The volumes of gas billed to Customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcfs.

Billed Gas Revenues - The total amount of revenues attributable to billings by SiEnergy for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Adjustment during the same period.

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Lost and Unaccounted-for Gas (LUG) - Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Adjustment (PGA) - An Adjustment on each Customer's monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Adjustment, all as more specifically described herein.

Annual Review Period - The 12-month period ending June 30 of each year.

Annual Review - An annual review of the Company's records covering the 12-month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total - The total amount determined through the Annual Review to be credited or surcharged to Customers' bills in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Adjustment - A credit or surcharge included in the Purchased Gas Adjustment to reflect the pro-rated adjustment in billings for any over or under collections on an annual basis.

**Record Keeping**

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company-owned gas injected into and withdrawn from storage, and any adjustments relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

**Purchased Gas Cost Calculation**

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by SiEnergy, pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand). The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

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**Purchased Gas Adjustment Calculation (continued)**

Each Customer bill shall include a Purchased Gas Adjustment reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro-rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Adjustment to account for any Annual Imbalance Total.

**Annual Review**

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged to the Customers' bills over a twelve-month period commencing each September 1 following the Annual Review Period.

**Accrual Imbalance Total - LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative**

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Accrual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

**Annual Imbalance Total - LUG Volume is positive and is greater than five percent of Purchased Gas Volumes**

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

- The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined;
- Minus, the Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

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**Reconciliation Adjustment Calculation**

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month. The recovery shall be through a Reconciliation Adjustment included in the Purchased Gas Adjustment. The Reconciliation Adjustment for each month shall be determined as follows:

- Each month of the twelve-month reconciliation period, the Reconciliation Adjustment, expressed in Ccfs, shall be calculated by dividing the amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.
- At the end of each 12-month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 -month period.

**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 twelve months ending June 30.
2. A tabulation of gas units sold to general service Customers and related Cost of Gas Clause revenues.
3. A description of all other costs and refunds made during the year and their effect on the Cost of Gas Clause to date.
4. 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 imbalances 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.

The Company shall file the Annual Reconciliation Report with the Commission addressed to the Director of Oversight and Safety Division and reference Gas Utilities Docket No. 10679. The Report shall detail the monthly collections for PGA surcharge by customer class and show the accumulative balance.

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Reports for the Commission should be filed electronically at [GUD\\_Compliance@rrc.texas.gov](mailto:GUD_Compliance@rrc.texas.gov) or  
at the following address:

Compliance Filing  
Oversight and Safety Division  
Gas Services Dept.  
Railroad Commission of Texas  
P.O. Drawer 12967  
Austin, TX 78711-2967

**Taxes and Franchise Fees (Rate Schedule TFF)**

Subject to all applicable taxes and fees in accordance with the provisions of Rate Schedule TFF –  
Taxes and Franchise Fees.