

CITY COUNCIL

MEETING AGENDA

NOVEMBER 21, 2022, 7:00 PM

CITY COUNCIL REGULAR MEETING

HISTORIC CHURCH BUILDING - 403 N 7TH STREET, SANGER, TEXAS



CALL THE REGULAR MEETING TO ORDER AND ESTABLISH A QUORUM

INVOCATION AND PLEDGE

CITIZENS COMMENTS

This is an opportunity for citizens to address the Council on any matter. Comments related to public hearings will be heard when the specific hearing begins. Citizens are allowed 3 minutes to speak. Each speaker must complete the Speaker's Form and include the topic(s) to be presented. Citizens who wish to address the Council with regard to matters on the agenda will be received at the time the item is considered. The Council is not allowed to converse, deliberate or take action on any matter presented during citizen input.

CONSENT AGENDA

All items on the Consent Agenda will be acted upon by one vote without being discussed separately unless requested by a Councilmember to remove the item(s) for additional discussion. Any items removed from the Consent Agenda will be taken up for individual consideration.

1. Consideration and possible action on the minutes from the November 7, 2022, meeting.

ACTION ITEMS

2. Consideration and possible action on a Professional Services Reimbursement Agreement with Rockhill Capital and Investments, LLC, and authorize the Mayor to execute said agreement.

FUTURE AGENDA ITEMS

The purpose of this item is to allow the Mayor and Councilmembers to bring forward items they wish to discuss at a future meeting, A Councilmember may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting. Items may be placed on a future meeting agenda with a consensus of the Council or at the call of the Mayor.

INFORMATIONAL ITEMS

Information Items are for informational purposes only. No action may be taken on items listed under this portion of the agenda.

3. Atmos Energy Corporation - Quality of Service tariff 11/01/2022

ADJOURN

NOTE: The City Council reserves the right to adjourn into Executive Session as authorized by Texas Government Code, Section 551.001, et seq. (The Texas Open Meetings Act) on any item on its open meeting agenda in accordance with the Texas Open Meetings Act, including, without limitation Sections 551.071-551.087 of the Texas Open Meetings Act.

CERTIFICATION

I certify that a copy of this meeting notice was posted on the bulletin board at City Hall that is readily accessible to the general public at all times and was posted on the City of Sanger website on November 16, 2022, 3:00 PM.

/s/Kelly Edwards

Kelly Edwards, City Secretary

The Historical Church is wheelchair accessible. Request for additional accommodations or sign interpretation or other special assistance for disabled attendees must be requested 48 hours prior to the meeting by contacting the City Secretary's Office at 940.458.7930.



CITY COUNCIL COMMUNICATION

DATE: November 21, 2022

FROM: Kelly Edwards, City Secretary

AGENDA ITEM: Consideration and possible action on the minutes from the November 7, 2022, meeting.

SUMMARY:

N/A

FISCAL INFORMATION:

Budgeted: N/A

Amount: \$0.00

GL Account: N/A

RECOMMENDED MOTION OR ACTION:

Approve the minutes from the November 7, 2022, meeting.

ATTACHMENTS:

11-01-2022 City Council regular minutes

CITY COUNCIL MEETING MINUTES

NOVEMBER 07, 2022, 7:00 PM

CITY COUNCIL REGULAR MEETING

HISTORIC CHURCH BUILDING - 403 N 7TH STREET, SANGER, TEXAS



CALL THE REGULAR MEETING TO ORDER AND ESTABLISH A QUORUM

Mayor Muir called the regular meeting to order at 7:00 p.m.

COUNCILMEMBERS PRESENT

Mayor	Thomas Muir
Mayor Pro Tem, Place 2	Gary Bilyeu
Councilmember, Place 1	Marissa Barrett
Councilmember, Place 4	Allen Chick
Councilmember, Place 5	Victor Gann

COUNCILMEMBERS ABSENT

Councilmember, Place 3	Dennis Dillon
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STAFF MEMBERS PRESENT:

City Manager John Noblitt, Assistant City Manager Alina Ciocan, City Secretary Kelly Edwards, City Attorney Hugh Coleman, Director of Development Services Ramie Hammonds, Parks & Recreation Superintendent Ryan Nolting, Director of Economic Development Shani Bradshaw, Marketing and Civic Engagement Director Donna Green, Chief of Police Waylan Rhodes, Fire Marshal Casey Welborn, Fire Lieutenant Brandon Shepard, and Director of Public Works Jim Bolz.

INVOCATION AND PLEDGE

Councilmember Chick gave the invocation, the Pledge of Allegiance was led by Councilmember Gann.

CITIZENS COMMENTS

No one addressed the Council.

REPORTS

1. Construction update from DEC Engineering, Dannenbaum, regarding the IH-35 / FM 455 Expansion Project.

Joe Garcia, DEC Engineering, provided an update and overview of the project.

Discussion ensued regarding sanitary sewer connections along the West corridor of FM 455, bore under IH-35, utility relocation being completed by the end of the year, TxDOT mobilization timing, and traffic planning.

CONSENT AGENDA

2. Consideration and possible action on the minutes from the October 14, 2022, work session.
3. Consideration and possible action on the minutes from the October 17, 2022, meeting.
4. Consideration and possible action on a contract with Maguire Iron, Inc for full-service water storage maintenance and asset maintenance plan for .200MG elevated storage tank located at Acker Street in the amount not to exceed \$565,516.00 and further authorizing the City Manager to execute.
5. Consideration and possible action on a contract with Maguire Iron, Inc for full-service water storage maintenance and asset maintenance plan for .100MG ground storage tank located at Cherry Street in the amount not to exceed \$297,770.00 and further authorizing the City Manager to execute.
6. Consideration and possible action on a contract with Maguire Iron, Inc for full-service water storage maintenance and asset maintenance plan for .300MG ground storage tank located at Cherry Street in the amount not to exceed \$440,750.00 and further authorizing the City Manager to execute.
7. Consideration and possible action on a contract with Maguire Iron, Inc for full-service water storage maintenance and asset maintenance plan for .100MG ground storage tank located at Utility Road in the amount not to exceed \$144,397.00 and further authorizing the City Manager to execute.

Councilmember Chick asked to discuss Items 4-7 of the Consent Agenda separately.

Motion to approve **Items 2 and 3** made by Councilmember Chick Seconded by Councilmember Bilyeu.

Voting Yea: Councilmember Barrett and Councilmember Gann.

Motion passed unanimously.

Director Bolz provided an overview of the contract with Maguire Iron for the storage tanks.

Discussion ensued regarding the roof of the tanks, contract provisions, warranties, total costs per location, and the appropriation of the annual amounts by fiscal year.

Motion to approve **Item 4** made by Councilmember Bilyeu Seconded by Councilmember Gann.

Voting Yea: Councilmember Barrett and Councilmember Chick.

Motion passed unanimously.

Motion to approve **Item 5** made by Councilmember Chick Seconded by Councilmember Gann.

Voting Yea: Councilmember Barrett and Councilmember Bilyeu.

Motion passed unanimously.

Motion to approve **Item 6** made by Councilmember Gann Seconded by Councilmember Chick.

Voting Yea: Councilmember Barrett and Councilmember Bilyeu.

Motion passed unanimously.

Motion to approve **Item 7** made by Councilmember Bilyeu Seconded by Councilmember Chick.

Voting Yea: Councilmember Barrett and Councilmember Gann.

Motion passed unanimously.

ACTION ITEMS

8. Consideration and possible action on a Final Plat of lots 1 and 2 of Union Hill Road Addition, being 13.143 acres, located in the City of Sanger's ETJ, and generally located on the north east corner of FM 455 and Union Hill Road.

Director Hammonds provided an overview of the item stating the plat meets the requirements and right-of-way was dedicated.

Motion to approve made by Councilmember Barrett, Seconded by Councilmember Bilyeu.

Voting Yea: Councilmember Chick and Councilmember Gann.

Motion passed unanimously.

9. Consideration and possible action on authorizing staff to issue a Request for Proposal 2023-02 for the Porter Park softball field renovations.

Director Nolting provided an overview of the item.

Discussion ensued regarding the construction timeline, contract terms, and completion date before the beginning of the season.

Motion to approve made by Councilmember Bilyeu Seconded by Councilmember Gann.
 Voting Yea: Councilmember Chick and Councilmember Gann.
 Motion passed unanimously.

10. Consideration and possible action on contract with All American Dogs for animal control services.

Chief Rhodes provided an overview of the item.

Discussion ensued regarding the level of services, service enhancements, cost savings, staff reduction, user fees for trapping, contract terms, infrastructure fees, and costs based on additional homes.

Motion to approve made by Councilmember Barrett Seconded by Councilmember Chick.

Voting Yea: Councilmember Bilyeu and Councilmember Gann.

Motion passed unanimously.

11. Consideration and possible action to purchase a Fire Apparatus Ladder Truck in the amount of \$1,793,532.00 through an Interlocal Purchasing Agreement with HGAC and authorizing the City Manager to execute all necessary documentation.

Fire Marshal Welborn provided an overview of the item.

Discussion ensued regarding the length of the apparatus, cost, additional training, and manufacturer-provided training.

Motion to approve made by Councilmember Barrett, Seconded by Councilmember Bilyeu.

Voting Yea: Councilmember Chick and Councilmember Gann.

Motion passed unanimously.

FUTURE AGENDA ITEMS

City Manager Noblitt will schedule a two-day work session early next year regarding planning and development strategies, the vision, and other items as requested by Council regarding the City's growth.

INFORMATIONAL ITEMS

12. Disbursements Report September 2022
13. Financial Statement August 2022
14. CIP Report October 12, 2022

15. Financial Statement September 2022

16. Atmos Rider GCR - Rate Filing Docket No. 10170 - October 26, 2022

Discussion ensued regarding any year-end adjustments.

ADJOURN

There being no further business, Mayor Muir adjourned the meeting at 8:26 p.m.

Thomas E. Muir, Mayor

Kelly Edwards, City Secretary



CITY COUNCIL COMMUNICATION

DATE: November 21, 2022

FROM: Ramie Hammonds, Development Services Director

AGENDA ITEM: Consideration and possible action on a Professional Services Reimbursement Agreement with Rockhill Capital and Investments, LLC, and authorize the Mayor to execute said agreement.

SUMMARY:

- Rockhill Capital and Investments, LLC, is proposing the creation of a Tax Increment Reinvestment Zone (TIRZ) for approximately 160 acres owned or under contract by Rockhill Capital and Investment, LLC.
- This property is generally located on the east side of Metz Road between Lois Road and View Road.
- It will be an industrial development for warehouse use.
- The agreement would allow for the reimbursement of funds expended by the City in review of the potential TIRZ.

FISCAL INFORMATION:

Budgeted: N/A

Amount: N/A

GL Account: N/A

RECOMMENDED MOTION OR ACTION:

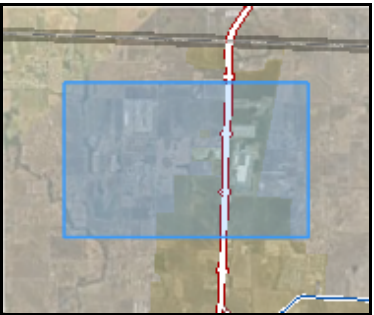
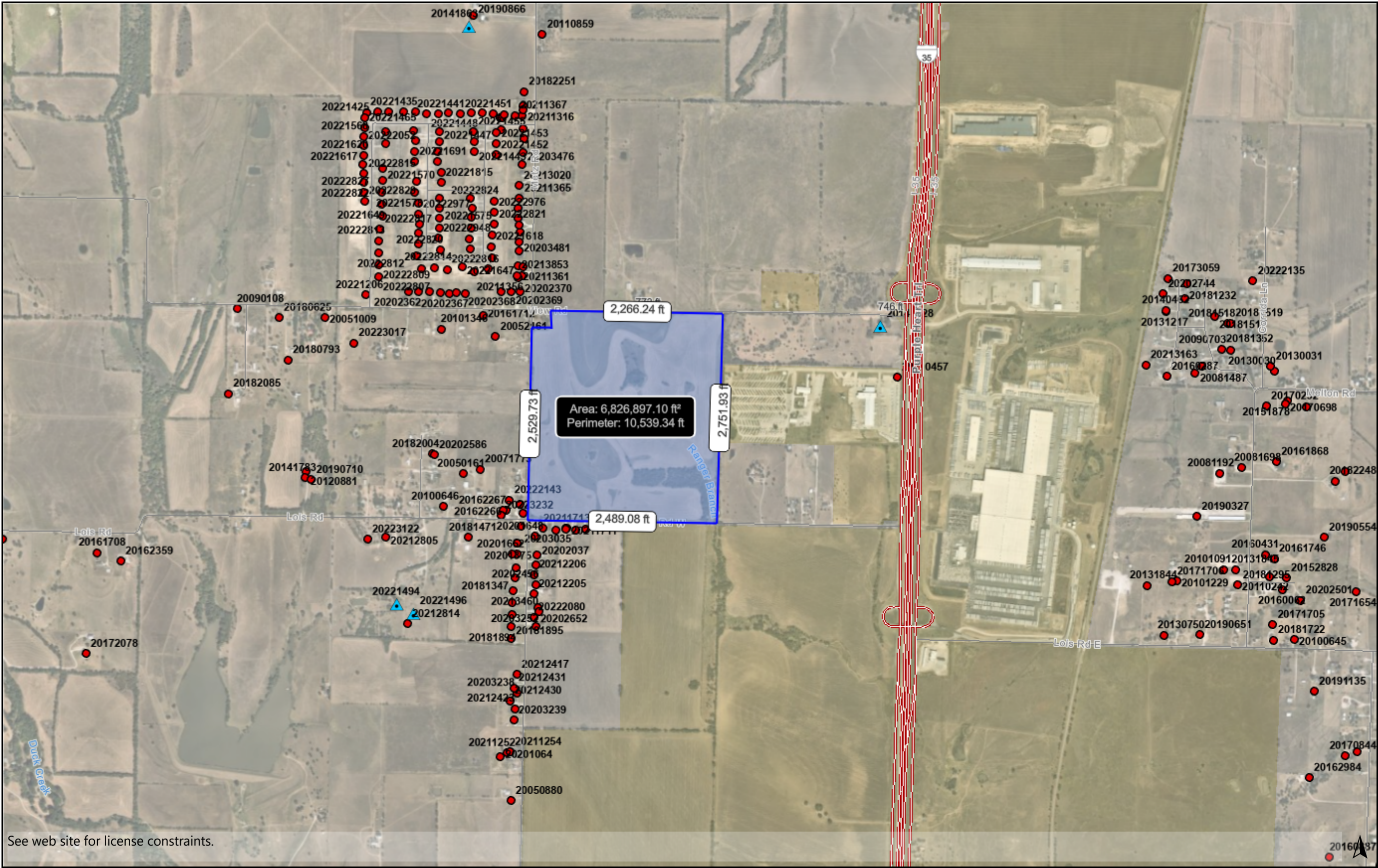
Staff recommends APPROVAL.

ATTACHMENTS:

Location Map

Professional Services Reimbursement Agreement

Denton County Landmark Map



Legend

- 911 Addresses
- Development Permits
- Parcels
- Floodplain**
 - Cross Section Location
 - Base Flood Elevation
 - FEMA Floodway
 - Flood Grid
 - FEMA 100yr Flood Zone A
 - FEMA 100yr Flood Zone AE
 - FEMA 500yr Flood Zone
 - Levee Protected

Notes

See web site for license constraints.



<https://gis.dentoncounty.gov>
11/10/2022 4:21:42 PM

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Denton County does not guarantee the correctness or accuracy of any features on this product and assumes no responsibility in connection therewith. This product may be revised at any time without notification to any user.

PROFESSIONAL SERVICES REIMBURSEMENT AGREEMENT

This Professional Services Reimbursement Agreement (this "Agreement"), effective as of the _____ day of _____, 2022 (the "Effective Date"), is made and entered into by and between The **CITY OF SANGER, TEXAS** (the "City") and **ROCKHILL CAPITAL & INVESTMENTS, LLC**, a Texas Limited Liability Company ("Developer"), herein collectively referred to as ("Party" or "Parties").

WHEREAS, the Developer owns or has under contract approximately 160 acres of land (the "Developer Tract") in the extra territorial jurisdiction of the City that the Developer desires to annex in to the City and develop, as further described in **Exhibit B** hereto; and

WHEREAS, the Parties have determined that funding certain portions of the costs of the public improvements necessary for the development of the Property can be achieved by means of Chapter 311, Texas Tax Code, as amended, entitled the Tax Increment Financing Act ("TIRZ Act"); and

WHEREAS, the Developer desires to develop the Property and the City to consider the creation of a Tax Increment Reinvestment Zone ("TIRZ"), subsequent to annexation into the City pursuant to the TIRZ Act; and

WHEREAS, the Developer and City desire to enter into a development agreement (the "Development Agreement") to govern development of the Property; and

WHEREAS, the Parties hereto recognize that the City will continue to incur reasonable and necessary expenses through the entire Development Agreement and TIRZ review process until final completion of the development ("City Expenses"), including but not limited to: professional services, legal publications, notices, reproduction of materials, public hearing expenses, recording of documents, engineering fees, attorney fees, and special consultant fees; and

WHEREAS, the Developer hereby agrees to pay for reasonable and necessary professional services provided by the consultants listed on **Exhibit A** and by additional consultants approved in writing by the Developer (collectively, the "City Consultants").

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Payment for Professional Services.** The Developer shall deposit with the City \$25,000.00 (the "Initial Deposit") for payment of City Expenses necessary to conduct the review and proposed creation of the TIRZ documents, the Development Agreement, proposed development submittals, alternative development financing options, municipal service, and entitlement matters, within fifteen (15) days of Effective Date:

- (a) The City agrees to hold all of Developer's contributions in a separate fund, or as a separate line item, maintained by the City which may only be used for reasonable and necessary City Expenses, as defined herein.
- (b) The City will pay City Expenses out of the amount deposited with the City and keep accounting of all charges for City Expenses, which shall be available for review by Developer, and any unused contributions shall be returned to the Developer.
- (c) The City will submit copies of all monthly invoices, except for legal invoices as they may contain privileged information, to the Developer showing amounts paid for reasonable and

necessary City Expenses for any City Consultant fees. If the Developer objects to any portion of an invoice, the City staff, the Developer, and the City Consultant shall attempt to resolve the dispute within a reasonable period of time; however, if the dispute cannot be timely resolved, the payment of the disputed amounts shall be resolved by the City Manager of the City.

- (d) After any monthly City Consultant fees have been paid for reasonable and necessary City Expenses, the City Consultants shall not be paid for the same City Expenses through any additional invoices or through TIRZ proceeds.
- (e) The Developer may be reimbursed for City Consultant fees paid in accordance with this Agreement and the TIRZ Act.
- (f) Developer agrees that in the event the Initial Deposit for City Expenses balance falls below \$5,000.00 and upon notice from the City, then Developer shall remit an additional amount of not less than \$10,000.00 within ten (10) business days of receipt of such notice.
- (g) In the event the balance for City Expenses is exhausted, upon notice, Developer shall pay the balance owed in full within ten (10) days in addition to the remittance of the additional funds as provided above.
- (h) In the instance that deposits of additional funds are not timely made, the City has no obligation to incur any additional City Expenses in connection with the TIRZ.
- (i) Failure of Developer to meet its obligations above may result in the suspension or revocation of work on the agreements, the TIRZ and any active development permits.

2. **No Obligation to Establish TIRZ.** The Developer acknowledges that the City has no obligation to establish the TIRZ or to issue any bonds or other indebtedness with respect thereto, and nothing contained within this Agreement shall create any such obligation. The Developer's obligation to pay the City Expenses shall exist and continue independent of whether the TIRZ or bonds or other indebtedness are approved. This Agreement shall confer no vested rights or development rights on the Property or to the Developer. Further, this Agreement shall provide no assurances, promises, or covenants to approve any development in the Property.

32. **Termination.**

- (a) Either City or Owner may, in their respective sole judgment, terminate this Agreement upon delivery of written notice to the other party, subject to Owner's continuing obligation to pay outstanding unpaid invoices for Professional Services as set forth in Section 2(b) below.
- (b) Upon any termination of this agreement pursuant to Section 2(a), City shall request final invoices for all Professional Services rendered pursuant to this agreement and may pay said invoices from the escrow funds. To the extent necessary, Owner shall be obligated to pay (i) all remaining invoices for Professional Services that are outstanding and unpaid as of the date notice of termination is delivered to the City, provided that such Professional Services were incurred and performed in accordance with the terms of this Agreement, and (ii) all invoices for Professional Services incurred and performed in accordance with the Agreement prior to the date of termination where invoices are delivered to the City after the date of termination

3. **Entire Agreement.** This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated herein.

4. **Amendment.** This Agreement may only be amended, altered or revoked by written instrument executed by the Parties.

5. **Successors and Assigns.** Neither City nor Developer may assign or transfer their interest in the Agreement without prior written consent of the other Party.

6. **Notice.** Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States Mail, Certified, with Return Receipt Requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

To the City:

Attn: John Noblitt, City Manager
City of Sanger, Texas
502 Elm Street
Sanger, Texas 76266

With a copy to:

Hugh Coleman, City Attorney
City of Sanger, Texas
502 Elm Street
Sanger, Texas 76266

To the Developer:

Attn: Brent Libby
Rockhill Capital & Investments, LLC
9550 John W Elliott, Suite 106 _____
Frisco, Texas 75033

With a copy to:

Attn: Mindy L. Koehne
Coats Rose, P.C.
14755 Preston Road, Suite 600
Dallas, Texas 75254

7. **Interpretation.** Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against either party.

8. **Applicable Law.** This Agreement is made and shall be construed in accordance with the laws of the State of Texas and venue shall lie in Denton County, Texas.

9. **Severability.** In the event any portion or provision of this Agreement is illegal, invalid, or unenforceable under present or future law, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

10. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

EXECUTED the _____ day of _____, 2022.

CITY OF SANGER, TEXAS

Thomas E. Muir, Mayor

DEVELOPER:

ROCKHILL CAPITAL & INVESTMENTS, LLC,
a Texas limited liability company

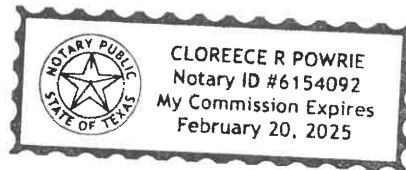
By: *Ryan Griffin*
Name: *RYAN GRIFFIN*
Title: *MANAGER*

STATE OF TEXAS
COUNTY OF *Collin*

BEFORE ME, the undersigned authority, on this day personally appeared *Ryan Griffin*, *MANAGER* of Rockhill Capital & Investments, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and considerations therein expressed, in the capacity therein stated and as the act and deed of said limited liability company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this *9th* day of *November*, 2022.

SEAL



Cloreese R. Powrie
Notary Public State of Texas

Exhibit “A”

1. Government Capital Securities Corporation: Financial Advisor
2. Orrick Herrington & Sutcliff, LLP: Bond Counsel
3. P3Works, LLC: PID Consultant
4. Halff Associates, Inc: Engineering Services
5. Messer, Fort & McDonald, PLLC: City Legal Services

Exhibit "B"

TRACT I:

All that certain lot, tract or parcel of land lying and being situated in Denton County, Texas and being a part of the William Mason Survey, Abstract Number 801, Denton County, Texas and also being a part of that called 159.19 acre tract of land described in deed to Mevilo Properties, LLC recorded in Instrument Number 2020-89427, Real Property Records, Denton County, Texas and being more fully described by metes and bounds as follows:

BEGINNING at a P.K. Nail found in Lois Road, at the Southeast corner of said 159.19 acre tract, same being the Southwest corner of a tract of land described in deed to Dorwin Lee Sargent and Patsy Ann Sargent, recorded in Volume 749, Page 986, Deed Records, Denton County, Texas;

THENCE North 89 degrees 36 minutes 12 seconds West, along the South line of said 159.19 acre tract, a distance of 177.16 feet to a P.K. Nail set;

THENCE North 01 degree 59 minutes 40 seconds East, a distance of 2111.12 feet to a capped iron rod set stamped "KAZ";

THENCE North 87 degrees 54 minutes 38 seconds West, a distance of 287.44 feet to a capped iron rod set stamped "KAZ";

THENCE North 00 degrees 01 minutes 58 seconds West, a distance of 638.08 feet to a capped iron rod set stamped "KAZ" in the North line of said 159.19 acre tract on the South side of View Road;

THENCE South 89 degrees 39 minutes 24 seconds East, along said North line, and said South side of View Road, a distance of 419.95 feet to a found iron rod, at the Northeast corner of said 159.19 acre tract;

THENCE South 00 degrees 35 minutes 43 seconds West, along the East line of said 159.19 acre tract, a distance of 2757.27 feet to the POINT OF BEGINNING and containing 13.49 acres of land, more or less.

TRACT II:

All that certain lot, tract or parcel of land lying and being situated in Denton County, Texas and being a part of the William Mason Survey, Abstract Number 801, Denton County, Texas and also being a part of that called 159.19 acre tract of land described in deed to Mevilo Properties, LLC recorded in Instrument Number 2020-89427, Real Property Records, Denton County, Texas and being more fully described by metes and bounds as follows:

BEGINNING at a P.K. Nail found in the intersection of the centerline of Metz Road and the centerline of Lois Road, at the Southwest corner of said 159.19 acre tract, same being the Northwest corner of a tract of land described in deed to Fred Scott Hopkins, recorded in Instrument Number 2017-118882, Real Property Records, Denton County, Texas;

THENCE North 00 degrees 23 minutes 47 seconds East, along the centerline of said Metz Road, a distance of 2511.65 feet to a 1/2 inch iron rod found;

THENCE South 89 degrees 48 minutes 41 seconds East, a distance of 208.43 feet to a T-Post;

THENCE North 01 degree 03 minutes 06 seconds East, a distance of 242.70 feet to a 1/2 inch iron rod found in the centerline of View Road;

THENCE South 89 degrees 39 minutes 24 seconds East, along said centerline, a distance of 1909.96 feet to a capped iron rod set stamped "KAZ";

THENCE South 00 degrees 01 minute 58 seconds East, a distance of 638.08 feet to a capped iron rod set stamped "KAZ";

THENCE South 87 degrees 54 minutes 38 seconds East, a distance of 287.44 feet to a capped iron rod set stamped "KAZ";

THENCE South 01 degree 59 minutes 40 seconds West, a distance of 2111.12 feet to a P.K. Nail set in the centerline of Lois Road;

THENCE North 89 degrees 36 minutes 12 seconds West, along said centerline, passing a P.K. Nail set at a distance of 1093.55 feet, and continuing for a total distance of 2352.39 feet to the POINT OF BEGINNING and containing 145.70 acres of land, more or less.



November 1, 2022

To The Honorable Mayor and City Council

Re: Update to Atmos Energy Corporation's Quality of Service, Commercial and Industrial Sales Tariffs for the Mid-Tex Distribution System

Dear Mayor and City Council,

Please find enclosed an updated copy of the company's Quality of Service tariff. This tariff was effective September 1, 2022 and provides details of service standards applicable to customers within incorporated areas served by the utility. This filing is for informational purposes only and no action is required on your part.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Felan".

Chris Felan
Vice President, Rates & Regulatory Affairs
Atmos Energy, Mid-Tex Division

Enclosures:
Quality of Service tariff
Commercial Tariff
Industrial Sales Tariff

	V. – QUALITY OF SERVICE	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	09/01/2022	PAGE: 95

For gas utility service to residential, commercial and industrial sales customers, the following minimum service standards shall be applicable in unincorporated areas served by the Company. For the purposes of this rate schedule, the Company is referred to as the "utility." In addition, these minimum service standards shall be applicable to residential, commercial and industrial sales customers within incorporated areas served by the utility, but only to the extent that said minimum service standards do not conflict with, supersede, or replace a provision of quality of service standards lawfully established currently or in the future within a particular municipality for a gas distribution utility. The utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.

(1) Continuity of service.

(A) Service interruptions.

- (i) The utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.
- (ii) The utility shall make reasonable provisions to meet emergencies resulting from failure of service, and the utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.
- (iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.
- (iv) Curtailment of gas service will be done in accordance with Texas Administrative Code Title 16, Part 1, Chapter 7, Subchapter D, Rule §7.455 Curtailment Standards. When notified by the utility, the customer will curtail gas service. In the event of any curtailment, utility personnel may physically turn off or restrict gas deliveries and only utility personnel will thereafter be permitted to restore gas service. The customer assumes any and all risk and will indemnify the utility against all damages, losses and expenses resulting from a curtailment of gas service under the utility's authorized curtailment program, except to the extent such damages, losses and expenses result from the gross negligence of the utility.

(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, the utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.

(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.

(2) Customer relations.

(A) Information to customers. The utility shall:

	V. – QUALITY OF SERVICE	
APPLICABLE TO:	Entire Division	
EFFECTIVE DATE:	09/01/2022	PAGE: 96

(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice on the Company's website informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;

(v) upon request inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) a toll-free telephone number where information may be obtained concerning the hours and addresses of locations where bills may be paid; and

(XI) the customer's right to be instructed by the utility how to read his or her meter;

(vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

	V. – QUALITY OF SERVICE	
APPLICABLE TO:	Entire Division	
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(B) Customer complaints. Upon complaint to the utility by residential, commercial or industrial sales customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. The utility shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the regulatory authority on behalf of a customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response acknowledging the receipt of the complaint must be made by the next working day. The utility must make a final and complete response within 15 days from the date of receipt by Company of the complaint, unless additional time is granted within the 15-day period. The commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: "If you are not satisfied with this agreement, do not sign. **If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement.**"

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the understanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons to residential accounts.

(i) Applicability. This subparagraph applies only to:

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(I) a utility that assesses late payment charges to residential customers and that suspends service before the 26th day after the date of the bill for which collection action is taken;

(II) utility bills issued on or after August 30, 1993; and

(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, Sections 101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(F) Budget Billing – The utility offers an optional budget billing plan to moderate seasonal differences in customer bills. The details of the plan are published on the utility's website.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant's facilities inadequate. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant's recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient cause for refusal of service to a present customer or applicant:

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- (i) delinquency in payment for service by a previous occupant of the premises to be served;
 - (ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
 - (iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
 - (iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;
 - (v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
 - (vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.
- (4) Discontinuance of service.
- (A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.
- (B) A utility may offer an inducement for prompt payment of bills to residential and commercial customers by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.
- (C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words "Termination Notice" or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer, and shall include the date of termination, a toll-free number for the hours and addresses of locations where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.
- (D) Utility service may be disconnected for any of the following reasons:
- (i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
 - (ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;
 - (iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
 - (iv) without notice where a known dangerous condition exists for as long as the condition exists;
 - (v) tampering with the utility company's meter or equipment or bypassing the same.
- (E) Utility service may not be disconnected for any of the following reasons:

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- (i) delinquency in payment for service by a previous occupant of the premises;
- (ii) failure to pay for merchandise or charges for nonutility service by the utility;
- (iii) failure to pay for a different type or class of utility service unless the fee for such service is included on the same bill;
- (iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;
- (v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;
- (vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;
- (vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a residential or commercial customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(I) Suspension of Gas Utility Service Disconnection during an Extreme Weather Emergency

(A) Applicability and scope. This rule applies to gas utilities, as defined in Texas Utilities Code, §101.003(7) and §121.001, and to owners, operators, and managers of mobile home parks or apartment houses who purchase natural gas through a master meter for delivery to a dwelling unit in a mobile home park or apartment house, pursuant to Texas Utilities Code, §§124.001-124.002, within the jurisdiction of the Railroad Commission pursuant to Texas Utilities Code, §102.001. For purposes of this section, all such gas utilities and owners, operators and managers of master meter systems shall be referred to as "providers." Providers shall comply with the following service standards. A gas distribution utility shall file amended service rules incorporating these standards with the Railroad Commission in the manner prescribed by law.

(B) Disconnection prohibited. Except where there is a known dangerous condition or a use of natural gas service in a manner that is dangerous or unreasonably interferes with service to others, a provider shall not disconnect natural gas service to:

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(1) a delinquent residential customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Station for the county where the customer takes service.

(2) a delinquent residential customer for a billing period in which the provider receives a written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service; or

(3) a delinquent residential customer on a weekend day, unless personnel or agents of the provider are available for the purpose of receiving payment or making collections and reconnecting service.

(C) Payment plans. Providers shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over, and shall work with customers to establish a payment schedule for deferred bills as set forth in paragraph (2)(D) of §7.45 of this title, relating to Quality of Service.

(D) Notice. Beginning in the September or October billing periods utilities and owners, operators, or managers of master metered systems shall give notice as follows:

(1) Each utility shall provide a copy of this rule to the social services agencies that distribute funds from the Low Income Home Energy Assistance Program within the utility's service area.

(2) Each utility shall provide a copy of this rule to any other social service agency of which the provider is aware that provides financial assistance to low income customers in the utility's service area.

(3) Each utility shall provide a copy of this rule to all residential customers of the utility and customers who are owners, operators, or managers of master metered systems.

(4) Owners, operators, or managers of master metered systems shall provide a copy of this rule to all of their customers.

(E) In addition to the minimum standards specified in this section, providers may adopt additional or alternative requirements if the provider files a tariff with the Commission pursuant to §7.315 of this title (relating to Filing of Tariffs). The Commission shall review the tariff to ensure that at least the minimum standards of this section are met.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. The utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

(i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a

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bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of valid, generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay a connect charge plus all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) The utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, Section 71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements. In the absence of billing history, the default deposit amount is \$90.00.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) The utility may require a deposit from a commercial or industrial customer sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

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- (I) the name and address of each depositor;
- (II) the amount and date of the deposit; and
- (III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. The utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

(B) The customer's bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;
- (iv) the total base bill;

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- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the customer must pay the bill to get prompt payment discount, if applicable;
- (vii) the total amount due before and after any discount for prompt payment, if applicable, within a designated period;
- (viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard and request that the customer read the meter and return the card to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

- (i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.
- (ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer's average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer's average usage for the billing period shall be the average of the customer's usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

- (i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.
- (ii) Installation by utility. Unless otherwise authorized by the regulatory authority, the utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its residential and commercial customers.
- (iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.
- (iv) Access to premises and access to company owned meters and service lines. Atmos Energy, Mid-Tex Division' representatives shall have the right at all reasonable hours to enter upon the premises and property of a customer to read a company meter, to remove, to inspect, or

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to make necessary repairs and adjustments to, or replacements of, service lines, meter loop, and any property of the utility located thereon, and for any other purpose connected with the utility's operation. The Atmos Energy, Mid-Tex Division representative shall have the right at all time to enter upon the premises and property of the customer in emergencies pertaining to the company's service. All animals which might hinder the performance of such operations on the customer's property shall be kept away from such operations by the customer upon notice by Atmos Energy, Mid-Tex Division' representatives of their intention to enter upon customer's premises.

(B) Meter records. The utility must keep the following records:

(i) Meter equipment records. The utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) The utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed \$15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration for residential and commercial customers and 1% for industrial customers.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

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(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

(A) Standards of construction. The utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charge policy. In the absence of a line extension policy specific to a city franchise agreement, the following policy shall apply:

Atmos Energy shall be required to extend distribution mains in any Public Rights-of-Way up to seventy-five feet (75') for any one residential customer, only if such customer, at a minimum, uses gas for unsupplemented space heating and water heating. The utility may require, on a consistent and non-discriminatory basis, pre-payment, reimbursement, or adequate security for all costs (including, but not limited to, materials, labor, allocated overhead, permit costs and right-of-way acquisition costs) of extending its existing pipeline system to serve a new customer to the extent that extension would exceed seventy-five feet (75').

The applicable provisions of city franchise agreements, which set forth line extension and construction charge policies that differ from the above policy are on file with the applicable municipality and the Railroad Commission of Texas.

The utility reserves the sole discretion to designate routes of all new extensions and the construction materials and manner of fabrication and installation. The utility, on a consistent and non-discriminatory basis, may provide refunds, credits, or security releases based upon facts such as additional customers subsequently attaching, the level of sales experiences through the new facility, or other criteria chosen by the utility. The utility may apply similar cost responsibility and arrangements to a customer requesting an increase in the capacity of existing facilities to accommodate an increase in the customer's service requirements. In no event will contribution in aid of construction be required of any residential customer unless provided for in this extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for residential or commercial service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

(9) Non-Liability

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(A) Furnishing of Gas. The Company shall not be liable for any loss or damage caused by variation in gas pressure, defects in pipes, connections and appliances, escape or leakage of gas, sticking of valves or regulators, or for any other loss or damage not caused by the Company's negligence arising out of or incident to the furnishing of gas to any Consumer.

(B) After Point of Delivery. Company shall not be liable for any damage or injury resulting from gas or its use after such gas leaves the point of delivery other than damage caused by the fault of the Company in the manner of installation of the service lines, in the manner in which such service lines are repaired by the Company, and in the negligence of the Company in maintaining its meter loop. All other risks after the gas left the point of delivery shall be assumed by the Consumer, his agents, servants, employees, or other persons.

(C) Reasonable Diligence. The Company agrees to use reasonable diligence in rendering continuous gas service to all Consumers, but the Company does not guarantee such service and shall not be liable for damages resulting from any interruption to such service.

(D) Force Majeure. Company shall not be liable for any damage or loss caused by stoppage or curtailment of the gas supply pursuant to order of a governmental agency having jurisdiction over Company or Company's suppliers, or caused by an event of force majeure. The term "force majeure" as employed herein means acts of God; strikes, lockouts, or other industrial disturbances; acts of the public enemy; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of the government, either federal or state, civil or military; civil disturbances; explosions; breakage or accident to machinery or lines of pipe; freezing of wells or lines of pipe; shortage of gas supply, whether resulting from inability or failure of a supplier to deliver gas; partial or entire failure of natural gas wells or gas supply; depletion of gas reserves; and any other causes, whether of the kind herein enumerated or otherwise.

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION IN THE ATMOS TEXAS MUNICIPALITIES COALITION (“ATM”)	
EFFECTIVE DATE:	Bills Rendered on or after 09/01/2022	PAGE 33

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 43.50 per month
Rider CEE Surcharge	\$ (0.01) per month ¹
Interim Rate Adjustment (“IRA”)	\$ 54.23 per month ²
Total Customer Charge	\$ 97.72 per month
Commodity Charge – All Ccf	\$ 0.09165 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx.plantprotection@atmosenergy.com.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

² 2018 IRA - \$8.74, 2019 IRA - \$14.54, 2020 IRA - \$14.48, 2021 IRA - \$16.47.

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION IN THE ATMOS TEXAS MUNICIPALITIES COALITION ("ATM")	
EFFECTIVE DATE:	Bills Rendered on or after 09/01/2022	PAGE 34

Exhibit A

Cities in the Atmos Texas Municipalities Coalition:

AUSTIN	STAR HARBOR
BALCH SPRINGS	TRINIDAD
BANDERA	WHITNEY
BELTON	
BLOOMING GROVE	
BURNET	
CAMERON	
CEDAR PARK	
CLIFTON	
COMMERCE	
COPPERAS COVE	
CORSICANA	
ELECTRA	
FREDERICKSBURG	
GATESVILLE	
GOLDTHWAITE	
GRANBURY	
GREENVILLE	
GROESBECK	
HAMILTON	
HEATH	
HENRIETTA	
HICKORY CREEK	
HICO	
HILLSBORO	
LAMPASAS	
LEANDER	
LONGVIEW	
MARBLE FALLS	
MART	
MEXIA	
OLNEY	
PFLUGERVILLE	
POINT	
PRINCETON	
RANGER	
RICE	
RIESEL	
ROCKDALE	
ROGERS	
ROUND ROCK	
SAN ANGELO	
SANGER	
SOMERVILLE	

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION IN THE ATMOS TEXAS MUNICIPALITIES COALITION (“ATM”)	
EFFECTIVE DATE:	Bills Rendered on or after 09/01/2022	PAGE 35

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 784.00 per month
Interim Rate Adjustment (“IRA”)	\$ 988.57 per month ¹
Total Customer Charge	\$ 1,772.57 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.3312 per MMBtu
Next 3,500 MMBtu	\$ 0.2425 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0520 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled “Daily Price Survey.”

¹ 2018 IRA - \$155.80, 2019 IRA - \$261.93, 2020 IRA - \$261.77, 2021 IRA - \$309.07.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION IN THE ATMOS TEXAS MUNICIPALITIES COALITION (“ATM”)	
EFFECTIVE DATE:	Bills Rendered on or after 09/01/2022	PAGE 36

Replacement Index

In the event the “midpoint” or “common” price for the Katy point listed in *Platts Gas Daily* in the table entitled “Daily Price Survey” is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx.plantprotection@atmosenergy.com.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION IN THE ATMOS TEXAS MUNICIPALITIES COALITION (“ATM”)	
EFFECTIVE DATE:	Bills Rendered on or after 09/01/2022	PAGE 37

Exhibit A

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