

WEST TEXAS GAS, INC.  
ANNUAL EARNINGS MONITORING REPORT  
SCHEDULE NAMES AND DESCRIPTIONS

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25	<a href="#">GUD 10235 Schedule H-1</a>	Reference to GUD 10235 - Calculation of Income Taxes
26	<a href="#">GUD 10235 Schedule K-1, Page 1</a>	Reference to GUD 10235 - Cost of Service by Class
27	<a href="#">GUD 10235 Schedule K-1.1</a>	Reference to GUD 10235 - Allocations Developed for Jurisdictional Domestic/Non-Domestic and Non-Jurisdictional
28	<a href="#">GUD 10235 Schedule K-1.4</a>	Reference to GUD 10235 - Rate Base Allocated to Jurisdictional and Non-Jurisdictional
29	<a href="#">TRC 2016 Annual Report, P 21</a>	Reference to TRC 2015 Annual Report - Operating Revenues

**WEST TEXAS GAS, INC.**  
**ANNUAL EARNINGS MONITORING SUMMARY REPORT**  
**DECEMBER 31, 2016**

Summary

<u>Line</u>	<u>Description</u>	(c) Allocated to Texas Jurisdictional <u>GUD 10563</u> 1/	(d) Allocated to Texas Jurisdictional <u>Current Period</u> 2/	(e) Amount <u>Increase/(Decrease)</u>
1	<u>Texas Jurisdictional Operations</u>			
2	Operating Revenues			
3	Sales Revenues	\$ 7,030,195	\$ 6,855,800	\$ (174,394)
4	Other Gas Revenues and Credits to Cost of Service	<u>\$ 131,675</u>	<u>\$ 138,326</u>	<u>\$ 6,651</u>
5	Total Operating Revenues	\$ 7,161,870	\$ 6,994,126	\$ (167,744)
6	Operating Expenses			
7	Gas Costs	\$ -	\$ -	\$ -
8	Operating and Maintenance Expense	\$ 4,123,564	\$ 4,329,159	\$ 205,595
9	Depreciation and Amortization Expense	\$ 752,241	\$ 782,786	\$ 30,545
10	Interest on Customer Deposits	\$ 408	\$ 797	\$ 389
11	Taxes Other Than Income Taxes	<u>\$ 593,040</u>	<u>\$ 608,619</u>	<u>\$ 15,580</u>
12	Total Operating Expenses	\$ 5,469,252	\$ 5,721,362	\$ 252,109
13	Total Operating Income Before Federal Income Taxes	\$ 1,692,618	\$ 1,272,765	\$ (419,853)
14	Federal Income Taxes	<u>\$ 670,277</u>	<u>\$ 504,015</u>	<u>\$ (166,262)</u>
15	Net Income / (Loss)	\$ 1,022,341	\$ 768,750	\$ (253,591)
16	Allowed Return on Rate Base	<u>\$ 2,064,374</u>	<u>\$ 2,130,792</u>	<u>\$ 66,417</u>
17	Deficiency - Texas Jurisdictional Operations	\$ (1,042,033)	\$ (1,362,042)	\$ (320,009)
18	Rate Base (Allocated to Texas Operations)	\$ 70,546,385	\$ 72,816,085	
19	Rate Base (Allocated to Texas Jurisdictional Operations)	\$ 26,098,283	\$ 26,937,947	
20	Actual Return on Rate Base (Texas Jurisdictional Operations)	3.92%	2.85%	
21	Percent Return Allowed on Rate Base 3/	7.91%	7.91%	

1/ Previous Filing Period, GUD 10563

2/ Current Filing Period Twelve Months Ending December 31, 2016, Schedule A Col (h)

3/ GUD 10235, Amended Unanimous Settlement Agreement, Item 3, Page 3

**WEST TEXAS GAS, INC.**  
**SUMMARY OF OPERATING REVENUES AND EXPENSES - ALLOCATED TO TEXAS JURISDICTIONAL**  
**TWELVE MONTHS ENDING DECEMBER 31, 2016**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<u>Line</u>	<u>Description</u>	<u>Reference</u>	<u>Total Company</u>	<u>Adjustments for Non-Texas Operations</u>	<u>Allocated To Texas Operations</u>	<u>Allocation Adjs for Texas Non-Jurisdictional</u>	<u>Less Other Adjustments</u>	<u>Allocated To Texas Jurisdictional</u>
1	Sales Revenues	Schedule B	\$ 103,247,482	\$ (5,795,868)	\$ 97,451,614	\$ (86,370,380)	\$ (4,225,434)	\$ 6,855,800 1/
2	Other Gas Revenues and Credits	Schedule C	\$ 458,594	\$ (84,639)	\$ 373,955	\$ (235,629)	\$ -	\$ 138,326 2/
3	Gas Costs	Schedule D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	O&M / A&G Expenses	Schedule E	\$ (16,322,664)	\$ 4,619,071	\$ (11,703,592)	\$ 7,374,434	\$ -	\$ (4,329,159) 3/
5	Depreciation Expense	Schedule G	\$ (4,506,408)	\$ 2,390,199	\$ (2,116,209)	\$ 1,333,424	\$ -	\$ (782,786) 4/
6	Interest on Customer Deposits	Schedule H	\$ (2,846)	\$ 690	\$ (2,156)	\$ 1,358	\$ -	\$ (797) 5/
7	Taxes Other than Income Taxes	Schedule I	\$ (2,271,828)	\$ 626,466	\$ (1,645,362)	\$ 1,036,743	\$ -	\$ (608,619) 6/
8	Federal Income Tax	Schedule J	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (504,015) 7/
9	Net Income / (Loss)						\$ 768,750	
10	Return						\$ 2,130,792	
11	Deficiency						\$ (1,362,042) 8/	

1/ Schedule B, Col (h), Line 10

2/ Schedule A-1, Col (d), Line 17

3/ Schedule A-1, Col (d), Line 10

4/ Schedule A-1, Col (d), Line 11

5/ Schedule A-1, Col (d), Line 12

6/ Schedule A-1, Col (d), Line 13

7/ Schedule A-1, Col (d), Line 14

8/ Schedule A-1, Col (d), Line 20

WEST TEXAS GAS, INC.  
SCHEDULE OF REVENUES AND EXPENSES  
JANUARY - DECEMBER, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	
<u>LINE</u>	<u>DESCRIPTION</u>	<u>REFERENCE</u>	<u>TOTAL COMPANY</u>	<u>ADJUSTMENTS 3/</u>	<u>AS ADJUSTED</u>	<u>ALLOCATION ADJUSTMENT 3/</u>	<u>ALLOCATED TO TEXAS OPERATIONS</u>
1	O&M/A&G Expense	Schedule E, Line 25	\$ 16,322,664	\$ (383,906)	\$ 15,938,757	\$ (4,235,165)	\$ 11,703,592
2	Depreciation Expense	Schedule G, Line 3	\$ 4,506,408	\$ -	\$ 4,506,408	\$ (2,390,199)	\$ 2,116,209
3	Interest Expense on Security Deposits	Schedule H, Line 3	\$ 2,846	\$ -	\$ 2,846	\$ (690)	\$ 2,156
4	Taxes Other Than Income Taxes	Schedule I, Line 11	\$ 2,271,828	\$ (430,572)	\$ 1,841,256	\$ (195,894)	\$ 1,645,362
5	Income Taxes 1/		N/A	N/A	N/A	N/A	\$ -
6	Return		N/A	N/A	N/A	N/A	\$ -
7	Total		N/A	N/A	N/A	N/A	\$ 15,467,320
8	Revenue Credits	Schedule C, Line 10	\$ (458,594)	\$ -	\$ (458,594)	\$ 84,639	\$ (373,955)
9	Net Cost of Service		N/A	N/A	N/A	N/A	\$ 15,093,364

<u>Line</u>	<u>Description</u>	<u>ALLOCATED TO TEXAS OPERATIONS</u>	<u>TOTAL TEXAS JURISDICTIONAL</u>	<u>TEXAS DOMESTIC</u>	<u>TEXAS NON-DOMESTIC</u>	<u>TEXAS NON-JURISDICTIONAL</u>
10	O&M/A&G Expense	\$ 11,703,592	\$ 4,329,159	\$ 3,528,633	\$ 800,526	\$ 7,374,434
11	Depreciation Expense	\$ 2,116,209	\$ 782,786	\$ 638,037	\$ 144,749	\$ 1,333,424
12	Interest Expense on Security Deposits	\$ 2,156	\$ 797	\$ 650	\$ 147	\$ 1,358
13	Taxes Other Than Income Taxes	\$ 1,645,362	\$ 608,619	\$ 496,077	\$ 112,543	\$ 1,036,743
14	Income Taxes	\$ -	\$ 504,015	\$ 410,815	\$ 93,200	\$ -
15	Return	\$ -	\$ 2,130,792	\$ 1,736,777	\$ 394,015	\$ -
16	Total	\$ 15,467,320	\$ 8,356,168	\$ 6,810,989	\$ 1,545,179	\$ 9,745,958
17	Revenue Credits	\$ (373,955)	\$ (138,326)	\$ (112,748)	\$ (25,579)	\$ (235,629)
18	Net Cost of Service	\$ 15,093,364	\$ 8,217,842	\$ 6,698,241	\$ 1,519,601	\$ 9,510,329
19	Revenues		\$ 6,855,800	\$ 5,378,548	\$ 1,477,252	
20	Deficiency		\$ 1,362,042	\$ 1,319,693	\$ 42,348	
21	Texas Jurisdictional / Non- Jurisdictional %		36.99%			63.01%
22	Texas Jurisdictional Domestic / Non-Domestic %			30.15%	6.84%	

1/ WTG is a Sub S Corporation whose tax liability is passed down to it's stockholder

2/ Percentage Factors from GUD 10235, Schedule K-1.1, Line 10

3/ Adjustments are explained on Schedule F

2/ 2/ 2/ 2/

**WEST TEXAS GAS**  
**ADJUSTED SALES AND TRANSPORTATION REVENUES**  
**JANUARY - DECEMBER, 2016**

Line	(a) Item	(b) Total Company Per Books 1/	(c) Non-Texas Operations	(d) Total Texas Operations 2/	(e) Non-Jurisdictional	(f) Texas Jurisdictional	(g) Less Cost of Gas	(h) As Adjusted
1	Domestic	\$ 9,446,715	\$ (2,095,885)	\$ 7,350,830	\$ -	\$ 7,350,830	\$ 1,972,282	\$ 5,378,548
2	Commercial/Pub Authority	\$ 20,366,715	\$ (817,714)	\$ 19,549,001	\$ (15,818,597)	\$ 3,730,404	\$ 2,253,152	\$ 1,477,252
3	Sales for Resale & Interstate	\$ 5,237,707	\$ (820,243)	\$ 4,417,464	\$ (4,417,464)	\$ -	\$ -	\$ -
4	Irrigation	\$ 60,986,782	\$ (103,390)	\$ 60,883,392	\$ (60,883,392)	\$ -	\$ -	\$ -
5	Intercompany	\$ 389,420	\$ -	\$ 389,420	\$ (389,420)	\$ -	\$ -	\$ -
6	Unbilled	<u>\$ (156,842)</u>	<u>\$ 2,936</u>	<u>\$ (153,906)</u>	<u>\$ 153,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
7	<b>Total Sale of Gas</b>	\$ 96,270,497	\$ (3,834,296)	\$ 92,436,201	\$ (81,354,967)	\$ 11,081,234	\$ 4,225,434	\$ 6,855,800
8	Transportation & Gathering	\$ 6,422,094	\$ (1,926,783)	\$ 4,495,311	\$ (4,495,311)	\$ -	\$ -	\$ -
9	Other Revenues	<u>\$ 554,891</u>	<u>\$ (34,789)</u>	<u>\$ 520,102</u>	<u>\$ (520,102)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
10	<b>Total Operating Revenues</b>	\$ 103,247,482	\$ (5,795,868)	\$ 97,451,614	\$ (86,370,380)	\$ 11,081,234	\$ 4,225,434	<u>\$ 6,855,800</u>
11	<b>Adjustments for Non-Texas Revenue</b>		<u>\$ (5,795,868)</u>		<u>\$ (86,370,380)</u>			<u>\$ (92,166,248)</u>

1/ Ties to TRC 2016 Annual Report, Page 21, Col ( c )

2/ Ties to TRC 2016 Annual Report, Page 21, Col ( b )

**WEST TEXAS GAS**  
**SUMMARY OF OTHER GAS REVENUES AND CREDITS**  
**JANUARY - DECEMBER, 2016**

<u>Line</u>	<u>(a)</u> <u>Item</u>	<b>TOTAL COMPANY</b>					
		<u>(b)</u> <u>FERC Account</u>	<u>(c)</u> <u>Per Books</u>	<u>(d)</u> <u>Adjustments</u>	<u>(e)</u> <u>Adjusted</u>	<u>(f)</u> <u>Alloc Adj</u>	<u>(g)</u> <u>Allocated to Texas</u>
1	PENALTY REVENUE	487.0	\$ (4,011)	\$ -	\$ (4,011)	\$ 3,435	\$ (576)
2	CONNECTION FEES	488.0	\$ (126,180)	\$ -	\$ (126,180)	\$ 26,962	\$ (99,218)
3	RETURNED CHECK CHARGE	488.0	\$ (7,154)	\$ -	\$ (7,154)	\$ 1,234	\$ (5,920)
4	MISC TARIFF FEES	488.0	\$ (12,190)	\$ -	\$ (12,190)	\$ 36	\$ (12,154)
5	COLLECTION FEES	488.0	\$ 363	\$ -	\$ 363	\$ (399)	\$ (36)
6	SERVICE CHARGES	488.0	\$ (105,000)	\$ -	\$ (105,000)	\$ 53,372	\$ (51,629)
7	METER REPAIR	495.0	\$ 2	\$ -	\$ 2	\$ -	\$ 2
8	SALES OF REGULATORS	495.0	\$ (10,611)	\$ -	\$ (10,611)	\$ -	\$ (10,611)
9	OTHER INCOME	495.0	\$ (193,814)	\$ -	\$ (193,814)	\$ -	\$ (193,814)
10	TOTAL		\$ (458,594)	\$ -	\$ (458,594)	\$ 84,639	\$ (373,955)

1/

1/ See Schedule C-1 for details on allocation adjustment

**WEST TEXAS GAS**  
**OTHER GAS REVENUES AND CREDITS**  
**JANUARY - DECEMBER, 2016**

<u>Line</u>	<u>(a)</u> <u>Item</u>	<b>TOTAL COMPANY</b>								
		<u>(b)</u> <u>FERC Account</u>	<u>(c)</u> <u>Texas</u>	<u>(d)</u> <u>Transmission</u>	<u>(e)</u> <u>Oklahoma</u>	<u>(f)</u> <u>Texhoma</u>	<u>(g)</u> <u>Wheeler</u>	<u>(h)</u> <u>SUG</u>	<u>(i)</u> <u>Corporate</u>	<u>(j)</u> <u>Total</u>
1	PENALTY REVENUE	487.0	\$ -	\$ -	\$ (2,901)	\$ (1,109)	\$ -	\$ -	\$ -	\$ (4,011)
2	CONNECTION FEES	488.0	\$ (88,840)	\$ -	\$ (21,200)	\$ (10,150)	\$ (5,990)	\$ -	\$ -	\$ (126,180)
3	RETURNED CHECK CHARGE	488.0	\$ (5,093)	\$ -	\$ (925)	\$ (425)	\$ (710)	\$ -	\$ -	\$ (7,154)
4	MISC TARIFF FEES	488.0	\$ (12,115)	\$ -	\$ -	\$ (75)	\$ -	\$ -	\$ -	\$ (12,190)
5	COLLECTION FEES	488.0	\$ (108)	\$ -	\$ 351	\$ 90	\$ 30	\$ -	\$ -	\$ 363
6	SERVICE CHARGES	488.0	\$ (4,375)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,625)	\$ (105,000)
7	METER REPAIR	495.0	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
8	SALES OF REGULATORS	495.0	\$ (10,611)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,611)
9	OTHER INCOME	495.0	\$ (193,814)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (193,814)
10	TOTAL		\$ (314,955)	\$ -	\$ (24,675)	\$ (11,669)	\$ (6,670)	\$ -	\$ (100,625)	\$ (458,594)





**WEST TEXAS GAS  
OTHER GAS REVENUES AND CREDITS  
JANUARY - DECEMBER, 2016**

<u>Line</u>	<u>(a) Item</u>	<b>AS ADJUSTED</b>									
		<u>(b) FERC Account</u>	<u>(c) Texas</u>	<u>(d) Transmission</u>	<u>(e) Oklahoma</u>	<u>(f) Texhoma</u>	<u>(g) Wheeler</u>	<u>(h) SUG</u>	<u>(i) Corporate</u>	<u>(j) Total</u>	
21	PENALTY REVENUE	487.0	\$ -	\$ -	\$ (2,901)	\$ (1,109)	\$ -	\$ -	\$ -	\$ (4,011)	
22	CONNECTION FEES	488.0	\$ (88,840)	\$ -	\$ (21,200)	\$ (10,150)	\$ (5,990)	\$ -	\$ -	\$ (126,180)	
23	RETURNED CHECK CHARGE	488.0	\$ (5,093)	\$ -	\$ (925)	\$ (425)	\$ (710)	\$ -	\$ -	\$ (7,154)	
24	MISC TARIFF FEES	488.0	\$ (12,115)	\$ -	\$ -	\$ (75)	\$ -	\$ -	\$ -	\$ (12,190)	
25	COLLECTION FEES	488.0	\$ (108)	\$ -	\$ 351	\$ 90	\$ 30	\$ -	\$ -	\$ 363	
26	SERVICE CHARGES	488.0	\$ (4,375)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,625)	\$ (105,000)	
27	METER REPAIR	495.0	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	
28	SALES OF REGULATORS	495.0	\$ (10,611)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,611)	
29	OTHER INCOME	495.0	\$ (193,814)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (193,814)	
30	TOTAL		\$ (314,955)	\$ -	\$ (24,675)	\$ (11,669)	\$ (6,670)	\$ -	\$ (100,625)	\$ (458,594)	

WEST TEXAS GAS  
OTHER GAS REVENUES AND CREDITS  
JANUARY - DECEMBER, 2016

31 PERCENT ALLOCATED TO TEXAS OPERATIONS 1/ 100.00% 0.00% 0.00% 51.91% 85.30% 20.65% 46.96%

ALLOCATED TO TEXAS OPERATIONS

Line	(a) Item 1/	(b) FERC Account	(c) Texas	(d) Transmission	(e) Oklahoma	(f) Texhoma	(g) Wheeler	(h) SUG	(i) Corporate	(j) Total
32	PENALTY REVENUE	487.0	\$ -	\$ -	\$ -	\$ (576)	\$ -	\$ -	\$ -	\$ (576)
33	CONNECTION FEES	488.0	\$ (88,840)	\$ -	\$ -	\$ (5,269)	\$ (5,109)	\$ -	\$ -	\$ (99,218)
34	RETURNED CHECK CHARGE	488.0	\$ (5,093)	\$ -	\$ -	\$ (221)	\$ (606)	\$ -	\$ -	\$ (5,920)
35	MISC TARIFF FEES	488.0	\$ (12,115)	\$ -	\$ -	\$ (39)	\$ -	\$ -	\$ -	\$ (12,154)
36	COLLECTION FEES	488.0	\$ (108)	\$ -	\$ -	\$ 47	\$ 26	\$ -	\$ -	\$ (36)
37	SERVICE CHARGES	488.0	\$ (4,375)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (47,254)	\$ (51,629)
38	METER REPAIR	495.0	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
39	SALES OF REGULATORS	495.0	\$ (10,611)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,611)
40	OTHER INCOME	495.0	\$ (193,814)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (193,814)
41	TOTAL		\$ (314,955)	\$ -	\$ -	\$ (6,057)	\$ (5,690)	\$ -	\$ (47,254)	\$ (373,955)
42	Allocated to Other Than Texas Operations		\$ -	\$ -	\$ 24,675	\$ 5,612	\$ 980	\$ -	\$ 53,372	\$ 84,639

1/ Allocation factors from GUD 10235, Schedules A-4.1, A-4.1.2, A-4.1.3 and A-4.1.4

**WEST TEXAS GAS  
GAS COSTS  
JANUARY - DECEMBER, 2016**

GAS COSTS WERE NOT INCLUDED IN GUD 10235 AND HAVE NOT BEEN INCLUDED WITH THIS FILING.

**WEST TEXAS GAS, INC.**  
**OPERATING & MAINTENANCE EXPENSES - SUMMARY**  
**JANUARY - DECEMBER, 2016**

		PER BOOKS					
Line	(a) Item	(b) FERC Account	(c) Total Company	(d) Adjustments	(e) As Adjusted	(f) Allocation Adjustments	(g) Allocated to Texas Ops
1	OTHER GAS SUPPLY EXPENSES	813.0	\$ 18,556	\$ -	\$ 18,556	\$ (474)	\$ 18,081
2	GATHERING & TRANSPORTATION FEES	858.0	\$ 344,306	\$ (344,306)	\$ -	\$ -	\$ -
3	MAINTENANCE OF MAINS	863.0	\$ 38,965	\$ -	\$ 38,965	\$ -	\$ 38,965
4	OPERATION SUPERVISION & ENGINEERING - CAPITALIZED LABOR	870.0	\$ (171,892)	\$ -	\$ (171,892)	\$ 12,758	\$ (159,133)
5	OPERATION SUPERVISION & ENGINEERING - LABOR	870.0	\$ 5,267,613	\$ -	\$ 5,267,613	\$ (513,468)	\$ 4,754,145
6	OPERATION SUPERVISION & ENGINEERING - OTHER	870.0	\$ -	\$ -	\$ -	\$ -	\$ -
7	MAINS & SERVICES EXPENSES - LABOR	874.0	\$ 138,602	\$ -	\$ 138,602	\$ (25,423)	\$ 113,179
8	MAINS & SERVICES EXPENSES - OTHER	874.0	\$ 1,094,226	\$ -	\$ 1,094,226	\$ (88,049)	\$ 1,006,177
9	OTHER EXPENSES	880.0	\$ 777,121	\$ -	\$ 777,121	\$ (63,346)	\$ 713,775
10	RENTS	881.0	\$ 188,027	\$ -	\$ 188,027	\$ (4,170)	\$ 183,857
11	MAINTENANCE OF STRUCTURES & IMPROVEMENTS	886.0	\$ 26,996	\$ -	\$ 26,996	\$ (2,002)	\$ 24,994
12	MAINTENANCE OF MAINS	887.0	\$ 459,872	\$ -	\$ 459,872	\$ (195,491)	\$ 264,381
13	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	888.0	\$ 1,438	\$ -	\$ 1,438	\$ (162)	\$ 1,276
14	MAINTENANCE OF MEASURING & REGULATING STATION EQUIPMENT	889.0	\$ 379,449	\$ -	\$ 379,449	\$ (20,473)	\$ 358,976
15	MAINTENANCE OF OTHER EQUIPMENT	894.0	\$ 784,802	\$ -	\$ 784,802	\$ (68,239)	\$ 716,564
16	UNCOLLECTIBLE ACCOUNTS	904.0	\$ 128,305	\$ -	\$ 128,305	\$ (8,690)	\$ 119,615
17	ADVERTISING EXPENSES	913.0	\$ 29,149	\$ -	\$ 29,149	\$ (9,203)	\$ 19,946
18	ADMINISTRATIVE & GENERAL SALARIES	920.0	\$ 2,320,820	\$ -	\$ 2,320,820	\$ (1,230,918)	\$ 1,089,903
19	OFFICE SUPPLIES & EXPENSES	921.0	\$ 293,517	\$ -	\$ 293,517	\$ (140,587)	\$ 152,929
20	OUTSIDE SERVICES EMPLOYED	923.0	\$ 1,084,346	\$ (39,600)	\$ 1,044,746	\$ (520,955)	\$ 523,791
21	PROPERTY INSURANCE	924.0	\$ 511,897	\$ -	\$ 511,897	\$ (270,760)	\$ 241,137
22	EMPLOYEE PENSIONS & BENEFITS	926.0	\$ 1,052,348	\$ -	\$ 1,052,348	\$ (551,324)	\$ 501,024
23	MISCELLANEOUS GENERAL EXPENSES	930.2	\$ 1,467,728	\$ -	\$ 1,467,728	\$ (491,028)	\$ 976,700
24	RENTS	931.0	\$ 86,472	\$ -	\$ 86,472	\$ (43,162)	\$ 43,309
25	TOTAL COMPANY		\$ 16,322,664	\$ (383,906)	\$ 15,938,757	\$ (4,235,165)	\$ 11,703,592

1/

1/ See Schedule E-1 for details on allocation adjustment

**WEST TEXAS GAS, INC.**  
**OPERATING & MAINTENANCE EXPENSES**  
**JANUARY - DECEMBER, 2016**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
<u>Line</u>	<u>Item</u>	<u>PER BOOKS</u>								
	<u>FERC Account</u>	<u>Texas</u>	<u>Transmission</u>	<u>Oklahoma</u>	<u>Texhoma</u>	<u>Wheeler</u>	<u>SUG</u>	<u>Corporate</u>	<u>Total Company</u>	
1	OTHER GAS SUPPLY EXPENSES	813.0	\$ 18,081	\$ -	\$ 474	\$ -	\$ -	\$ -	\$ 18,556	
2	GATHERING & TRANSPORTATION FEES	858.0	\$ 23,582	\$ -	\$ -	\$ 320,725	\$ -	\$ -	\$ 344,306	
3	MAINTENANCE OF MAINS	863.0	\$ 38,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,965	
4	OPERATION SUPERVISION & ENGINEERING - CAPITALIZED LABOR	870.0	\$ (145,361)	\$ -	\$ -	\$ (26,530)	\$ -	\$ -	\$ (171,892)	
5	OPERATION SUPERVISION & ENGINEERING - LABOR	870.0	\$ 4,491,410	\$ -	\$ 309,871	\$ 404,452	\$ 61,880	\$ -	\$ 5,267,613	
6	OPERATION SUPERVISION & ENGINEERING - OTHER	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7	MAINS & SERVICES EXPENSES - LABOR	874.0	\$ 112,847	\$ 24,567	\$ 548	\$ 640	\$ -	\$ -	\$ 138,602	
8	MAINS & SERVICES EXPENSES - OTHER	874.0	\$ 981,056	\$ 34,394	\$ 33,286	\$ 40,975	\$ 4,515	\$ -	\$ 1,094,226	
9	OTHER EXPENSES	880.0	\$ 695,228	\$ 686	\$ 50,941	\$ 22,562	\$ 8,392	\$ (688)	\$ 777,121	
10	RENTS	881.0	\$ 178,811	\$ -	\$ 3,300	\$ -	\$ 5,916	\$ -	\$ 188,027	
11	MAINTENANCE OF STRUCTURES & IMPROVEMENTS	886.0	\$ 15,242	\$ -	\$ -	\$ 821	\$ 10,933	\$ -	\$ 26,996	
12	MAINTENANCE OF MAINS	887.0	\$ 240,129	\$ -	\$ 177,327	\$ 35,727	\$ 6,689	\$ -	\$ 459,872	
13	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	888.0	\$ 1,276	\$ 162	\$ -	\$ -	\$ -	\$ -	\$ 1,438	
14	MAINTENANCE OF MEASURING & REGULATING STATION EQUIPMENT	889.0	\$ 345,657	\$ 1,836	\$ 7,263	\$ 21,773	\$ 2,094	\$ 598	\$ 379,449	
15	MAINTENANCE OF OTHER EQUIPMENT	894.0	\$ 682,003	\$ -	\$ 29,311	\$ 37,954	\$ 2,642	\$ 10,799	\$ 784,802	
16	UNCOLLECTIBLE ACCOUNTS	904.0	\$ 113,359	\$ -	\$ 2,894	\$ 12,052	\$ -	\$ -	\$ 128,305	
17	ADVERTISING EXPENSES	913.0	\$ 13,206	\$ -	\$ 1,797	\$ 370	\$ 203	\$ -	\$ 29,149	
18	ADMINISTRATIVE & GENERAL SALARIES	920.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,320,820	\$ 2,320,820	
19	OFFICE SUPPLIES & EXPENSES	921.0	\$ 33,139	\$ -	\$ -	\$ -	\$ 9,457	\$ 250,921	\$ 293,517	
20	OUTSIDE SERVICES EMPLOYED	923.0	\$ 62,747	\$ -	\$ -	\$ (6)	\$ 461	\$ 1,021,143	\$ 1,084,346	
21	PROPERTY INSURANCE	924.0	\$ 16,908	\$ -	\$ -	\$ -	\$ 31,271	\$ 463,718	\$ 511,897	
22	EMPLOYEE PENSIONS & BENEFITS	926.0	\$ 13,169	\$ -	\$ 470	\$ 230	\$ 120	\$ 1,038,359	\$ 1,052,348	
23	MISCELLANEOUS GENERAL EXPENSES	930.2	\$ 567,069	\$ -	\$ 26,886	\$ 62,912	\$ 9,875	\$ 28,916	\$ 1,467,728	
24	RENTS	931.0	\$ 5,092	\$ -	\$ -	\$ -	\$ -	\$ 81,380	\$ 86,472	
25	TOTAL COMPANY		\$ 8,503,615	\$ 61,645	\$ 644,369	\$ 934,657	\$ 113,259	\$ 81,502	\$ 5,983,617	\$ 16,322,664

WEST TEXAS GAS, INC.  
OPERATING & MAINTENANCE EXPENSES  
JANUARY - DECEMBER, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Line	Item 1/	ADJUSTMENTS								
		FERC Account	Texas	Transmission	Oklahoma	Texhoma	Wheeler	SUG	Corporate	Total Company
26	OTHER GAS SUPPLY EXPENSES	813.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	GATHERING & TRANSPORTATION FEES	858.0	\$ (23,582)	\$ -	\$ -	\$ (320,725)	\$ -	\$ -	\$ -	\$ (344,306)
28	MAINTENANCE OF MAINS	863.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	OPERATION SUPERVISION & ENGINEERING - CAPITALIZED LABOR	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	OPERATION SUPERVISION & ENGINEERING - LABOR	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	OPERATION SUPERVISION & ENGINEERING - OTHER	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	MAINS & SERVICES EXPENSES - LABOR	874.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	MAINS & SERVICES EXPENSES - OTHER	874.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	OTHER EXPENSES	880.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	RENTS	881.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	MAINTENANCE OF STRUCTURES & IMPROVEMENTS	886.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	MAINTENANCE OF MAINS	887.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	888.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	MAINTENANCE OF MEASURING & REGULATING STATION EQUIPMENT	889.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	MAINTENANCE OF OTHER EQUIPMENT	894.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	UNCOLLECTIBLE ACCOUNTS	904.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	ADVERTISING EXPENSES	913.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	ADMINISTRATIVE & GENERAL SALARIES	920.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	OFFICE SUPPLIES & EXPENSES	921.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	OUTSIDE SERVICES EMPLOYED	923.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (39,600)	\$ (39,600)
46	PROPERTY INSURANCE	924.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	EMPLOYEE PENSIONS & BENEFITS	926.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	MISCELLANEOUS GENERAL EXPENSES	930.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	RENTS	931.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	TTOAL ADJUSTMENTS		\$ (23,582)	\$ -	\$ -	\$ (320,725)	\$ -	\$ -	\$ (39,600)	\$ (383,906)

WEST TEXAS GAS, INC.  
OPERATING & MAINTENANCE EXPENSES  
JANUARY - DECEMBER, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Line	Item	AS ADJUSTED								
	FERC Account	Texas	Transmission	Oklahoma	Texhoma	Wheeler	SUG	Corporate	Total Company	
51	OTHER GAS SUPPLY EXPENSES	813.0	\$ 18,081	\$ -	\$ 474	\$ -	\$ -	\$ -	\$ 18,556	
52	GATHERING & TRANSPORTATION FEES	858.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
53	MAINTENANCE OF MAINS	863.0	\$ 38,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,965	
54	OPERATION SUPERVISION & ENGINEERING - CAPITALIZED LABOR	870.0	\$ (145,361)	\$ -	\$ -	\$ (26,530)	\$ -	\$ -	\$ (171,892)	
55	OPERATION SUPERVISION & ENGINEERING - LABOR	870.0	\$ 4,491,410	\$ -	\$ 309,871	\$ 404,452	\$ 61,880	\$ -	\$ 5,267,613	
56	OPERATION SUPERVISION & ENGINEERING - OTHER	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
57	MAINS & SERVICES EXPENSES - LABOR	874.0	\$ 112,847	\$ 24,567	\$ 548	\$ 640	\$ -	\$ 1	\$ 138,602	
58	MAINS & SERVICES EXPENSES - OTHER	874.0	\$ 981,056	\$ 34,394	\$ 33,286	\$ 40,975	\$ 4,515	\$ -	\$ 1,094,226	
59	OTHER EXPENSES	880.0	\$ 695,228	\$ 686	\$ 50,941	\$ 22,562	\$ 8,392	\$ (688)	\$ 777,121	
60	RENTS	881.0	\$ 178,811	\$ -	\$ 3,300	\$ -	\$ 5,916	\$ -	\$ 188,027	
61	MAINTENANCE OF STRUCTURES & IMPROVEMENTS	886.0	\$ 15,242	\$ -	\$ -	\$ 821	\$ 10,933	\$ -	\$ 26,996	
62	MAINTENANCE OF MAINS	887.0	\$ 240,129	\$ -	\$ 177,327	\$ 35,727	\$ 6,689	\$ -	\$ 459,872	
63	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	888.0	\$ 1,276	\$ 162	\$ -	\$ -	\$ -	\$ -	\$ 1,438	
64	MAINTENANCE OF MEASURING & REGULATING STATION EQUIPMENT	889.0	\$ 345,657	\$ 1,836	\$ 7,263	\$ 21,773	\$ 2,094	\$ 598	\$ 379,449	
65	MAINTENANCE OF OTHER EQUIPMENT	894.0	\$ 682,003	\$ -	\$ 29,311	\$ 37,954	\$ 2,642	\$ 10,799	\$ 784,802	
66	UNCOLLECTIBLE ACCOUNTS	904.0	\$ 113,359	\$ -	\$ 2,894	\$ 12,052	\$ -	\$ -	\$ 128,305	
67	ADVERTISING EXPENSES	913.0	\$ 13,206	\$ -	\$ 1,797	\$ 370	\$ 203	\$ -	\$ 29,149	
68	ADMINISTRATIVE & GENERAL SALARIES	920.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,320,820	\$ 2,320,820	
69	OFFICE SUPPLIES & EXPENSES	921.0	\$ 33,139	\$ -	\$ -	\$ -	\$ 9,457	\$ 250,921	\$ 293,517	
70	OUTSIDE SERVICES EMPLOYED	923.0	\$ 62,747	\$ -	\$ -	\$ (6)	\$ 461	\$ 981,543	\$ 1,044,746	
71	PROPERTY INSURANCE	924.0	\$ 16,908	\$ -	\$ -	\$ -	\$ 31,271	\$ 463,718	\$ 511,897	
72	EMPLOYEE PENSIONS & BENEFITS	926.0	\$ 13,169	\$ -	\$ 470	\$ 230	\$ 120	\$ 1,038,359	\$ 1,052,348	
73	MISCELLANEOUS GENERAL EXPENSES	930.2	\$ 567,069	\$ -	\$ 26,886	\$ 62,912	\$ 9,875	\$ 28,916	\$ 772,069	
74	RENTS	931.0	\$ 5,092	\$ -	\$ -	\$ -	\$ -	\$ 81,380	\$ 86,472	
75	TOTAL OPERATIONS AND MAINTENANCE AS ADJUSTED		\$ 8,480,033	\$ 61,645	\$ 644,369	\$ 613,932	\$ 113,259	\$ 81,502	\$ 5,944,017	\$ 15,938,757

**WEST TEXAS GAS, INC.**  
**OPERATING & MAINTENANCE EXPENSES**  
**JANUARY - DECEMBER, 2016**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
76	PERCENT ALLOCATED TO TEXAS OPERATIONS 2/		100.00%	0.00%	0.00%	51.91%	85.30%	20.65%	46.96%	

**ALLOCATED TO TEXAS OPERATIONS**

<u>Line</u>	<u>Item</u>	<u>FERC Account</u>	<u>Texas</u>	<u>Transmission</u>	<u>Oklahoma</u>	<u>Texhoma</u>	<u>Wheeler</u>	<u>SUG</u>	<u>Corporate</u>	<u>Total Company</u>
77	OTHER GAS SUPPLY EXPENSES	813.0	\$ 18,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,081
78	GATHERING & TRANSPORTATION FEES	858.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	MAINTENANCE OF MAINS	863.0	\$ 38,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,965
80	OPERATION SUPERVISION & ENGINEERING - CAPITALIZED LABOR	870.0	\$ (145,361)	\$ -	\$ -	\$ (13,772)	\$ -	\$ -	\$ -	\$ (159,133)
81	OPERATION SUPERVISION & ENGINEERING - LABOR	870.0	\$ 4,491,410	\$ -	\$ -	\$ 209,951	\$ 52,784	\$ -	\$ -	\$ 4,754,145
82	OPERATION SUPERVISION & ENGINEERING - OTHER	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
83	MAINS & SERVICES EXPENSES - LABOR	874.0	\$ 112,847	\$ -	\$ -	\$ 332	\$ -	\$ -	\$ 0	\$ 113,179
84	MAINS & SERVICES EXPENSES - OTHER	874.0	\$ 981,056	\$ -	\$ -	\$ 21,270	\$ 3,851	\$ -	\$ -	\$ 1,006,177
85	OTHER EXPENSES	880.0	\$ 695,228	\$ -	\$ -	\$ 11,712	\$ 7,158	\$ -	\$ (323)	\$ 713,775
86	RENTS	881.0	\$ 178,811	\$ -	\$ -	\$ -	\$ 5,047	\$ -	\$ -	\$ 183,857
87	MAINTENANCE OF STRUCTURES & IMPROVEMENTS	886.0	\$ 15,242	\$ -	\$ -	\$ 426	\$ 9,326	\$ -	\$ -	\$ 24,994
88	MAINTENANCE OF MAINS	887.0	\$ 240,129	\$ -	\$ -	\$ 18,546	\$ 5,706	\$ -	\$ -	\$ 264,381
89	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	888.0	\$ 1,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,276
90	MAINTENANCE OF MEASURING & REGULATING STATION EQUIPMENT	889.0	\$ 345,657	\$ -	\$ -	\$ 11,302	\$ 1,786	\$ 123	\$ 107	\$ 358,976
91	MAINTENANCE OF OTHER EQUIPMENT	894.0	\$ 682,003	\$ -	\$ -	\$ 19,702	\$ 2,253	\$ 2,230	\$ 10,376	\$ 716,564
92	UNCOLLECTIBLE ACCOUNTS	904.0	\$ 113,359	\$ -	\$ -	\$ 6,256	\$ -	\$ -	\$ -	\$ 119,615
93	ADVERTISING EXPENSES	913.0	\$ 13,206	\$ -	\$ -	\$ 192	\$ 173	\$ -	\$ 6,374	\$ 19,946
94	ADMINISTRATIVE & GENERAL SALARIES	920.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,089,903	\$ 1,089,903
95	OFFICE SUPPLIES & EXPENSES	921.0	\$ 33,139	\$ -	\$ -	\$ -	\$ -	\$ 1,953	\$ 117,837	\$ 152,929
96	OUTSIDE SERVICES EMPLOYED	923.0	\$ 62,747	\$ -	\$ -	\$ (3)	\$ -	\$ 95	\$ 460,952	\$ 523,791
97	PROPERTY INSURANCE	924.0	\$ 16,908	\$ -	\$ -	\$ -	\$ -	\$ 6,457	\$ 217,771	\$ 241,137
98	EMPLOYEE PENSIONS & BENEFITS	926.0	\$ 13,169	\$ -	\$ -	\$ 119	\$ 102	\$ -	\$ 487,634	\$ 501,024
99	MISCELLANEOUS GENERAL EXPENSES	930.2	\$ 567,069	\$ -	\$ -	\$ 32,658	\$ 8,423	\$ 5,971	\$ 362,579	\$ 976,700
100	RENTS	931.0	\$ 5,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,218	\$ 43,309
101	TOTAL ALLOCATED TO TEXAS AS ADJUSTED		\$ 8,480,033	\$ -	\$ -	\$ 318,692	\$ 96,610	\$ 16,830	\$ 2,791,427	\$ 11,703,592
102	Adjustment for Non-Texas Related Expenses		\$ -	\$ (61,645)	\$ (644,369)	\$ (295,240)	\$ (16,649)	\$ (64,672)	\$ (3,152,590)	\$ (4,235,165)

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1/ See Schedule F for explanation of adjustments

2/ Allocation factors from GUD 10235, Schedules A-4.1, A-4.1.2, A-4.1.3 and A-4.1.4



WEST TEXAS GAS  
SUMMARY OF EXPENSE ADJUSTMENTS  
JANUARY - DECEMBER, 2016

<u>Line</u>	<u>Adjustment</u>	(a)	(b) <u>Schedule</u>	(c) <u>Amount</u>
1	Removal of Non-Texas Other Gas Revenues & Credits		Schedule C-1, Col (j), Line 42	\$ 84,639
2	Removal of Account 858 (Trackable)		Schedule E-1, Col (j), Line 27	\$ (344,306)
3	Removal of Lobbying Expenses		Schedule E-1, Col (j), Line 45	\$ (39,600)
4	Removal of Non-Texas O&M Expenses		Schedule E-1, Col (j), Line 102	\$ (4,235,165)
5	Removal of Non-Texas DDA		Schedule G-1, Col (j), Line 14	\$ (2,390,199)
6	Removal of Non-Texas Interest Expense on Security Deposits		Schedule H-1, Col (j), Line 14	\$ (690)
7	Removal of Payroll Tax		Schedule I-1, Col (j), Line 22	\$ (430,572)
8	Removal of Non-Texas Taxes Other Than Income Tax		Schedule I-1, Col (j), Line 46	\$ (195,894)
9	Total Expense Adjustments			\$ <u>(7,551,787)</u>

WEST TEXAS GAS  
SUMMARY OF DEPRECIATION & AMORTIZATION EXPENSE  
JANUARY - DECEMBER, 2016

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Line</u>	<u>Item</u>	<u>FERC Account</u>	<u>Total Company</u>	<u>Adjustments</u>	<u>As Adjusted</u>	<u>Allocation</u>	<u>Allocated to</u>
						<u>Adjustments</u>	<u>Texas Operations</u>
1	DEPRECIATION EXPENSE	403.0	\$ 4,163,375	\$ -	\$ 4,163,375	\$ (2,208,254)	\$ 1,955,121
2	AMORTIZATION EXPENSE	404.3	\$ 343,034	\$ -	\$ 343,034	\$ (181,945)	\$ 161,089
3	TOTAL		\$ 4,506,408	\$ -	\$ 4,506,408	\$ (2,390,199)	\$ 2,116,209

1/

1/ See Schedule G-1 for details on allocation adjustment

**WEST TEXAS GAS**  
**SUMMARY OF DEPRECIATION & AMORTIZATION EXPENSE - DETAIL BY DIVISION**  
**JANUARY - DECEMBER, 2016**

		<b>TOTAL COMPANY</b>								
<u>Line</u>	<u>(a)</u> <u>Item</u>	<u>(b)</u> <u>FERC Account</u>	<u>(c)</u> <u>Texas</u>	<u>(d)</u> <u>Transmission</u>	<u>(e)</u> <u>Oklahoma</u>	<u>(f)</u> <u>Texhoma</u>	<u>(g)</u> <u>Wheeler</u>	<u>(h)</u> <u>SUG</u>	<u>(i)</u> <u>Corporate</u>	<u>(j)</u> <u>Total</u>
1	DEPRECIATION EXPENSE	403.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,163,375	\$ 4,163,375
2	AMORTIZATION EXPENSE	404.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,034	\$ 343,034
3	TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,506,408	\$ 4,506,408



**WEST TEXAS GAS**  
**SUMMARY OF DEPRECIATION & AMORTIZATION EXPENSE - DETAIL BY DIVISION**  
**JANUARY - DECEMBER, 2016**

<u>Line</u>	<u>(a)</u> <u>Item</u>	<u>AS ADJUSTED</u>								<u>(j)</u> <u>Total</u>
		<u>(b)</u> <u>FERC Account</u>	<u>(c)</u> <u>Texas</u>	<u>(d)</u> <u>Transmission</u>	<u>(e)</u> <u>Oklahoma</u>	<u>(f)</u> <u>Texhoma</u>	<u>(g)</u> <u>Wheeler</u>	<u>(h)</u> <u>SUG</u>	<u>(i)</u> <u>Corporate</u>	
7	DEPRECIATION EXPENSE	403.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,163,375	\$ 4,163,375
8	AMORTIZATION EXPENSE	404.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,034	\$ 343,034
9	TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,506,408	\$ 4,506,408

**WEST TEXAS GAS**  
**SUMMARY OF DEPRECIATION & AMORTIZATION EXPENSE - DETAIL BY DIVISION**  
**JANUARY - DECEMBER, 2016**

10 PERCENT ALLOCATED TO TEXAS OPERATIONS 1/ 100.00% 0.00% 0.00% 51.91% 85.30% 20.65% 46.96%

**ALLOCATED TO TEXAS OPERATIONS**

<u>Line</u>	<u>(a) Item</u>	<u>(b) FERC Account</u>	<u>(c) Texas</u>	<u>(d) Transmission</u>	<u>(e) Oklahoma</u>	<u>(f) Texhoma</u>	<u>(g) Wheeler</u>	<u>(h) SUG</u>	<u>(i) Corporate</u>	<u>(j) Total</u>
11	DEPRECIATION EXPENSE	403.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,955,121	\$ 1,955,121
12	AMORTIZATION EXPENSE	404.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,089	\$ 161,089
13	TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,116,209	\$ 2,116,209
14	Allocated to Non Texas Operations		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,390,199)	\$ (2,390,199)
									2/	3/

1/ Allocation factors from GUD 10235, Schedules A-4.1, A-4.1.2, A-4.1.3 and A-4.1.4

2/ All depreciation and amortization expense is now in Corporate as a result of the change to the Group Depreciation method

3/ See Schedule F for explanation of adjustments

**WEST TEXAS GAS**  
**SUMMARY OF INTEREST EXPENSE ON SECURITY DEPOSITS**  
**JANUARY - DECEMBER, 2016**

<u>Line</u>	(a) <u>Item</u>	(b) <u>FERC Account</u>	(c) <u>Total Company</u>	(d) <u>Adjustments</u>	(e) <u>As Adjusted</u>	(f) <u>Allocation</u> <u>Adjustments</u>	(g) <u>Allocated to</u> <u>Texas Operations</u>
1	INTEREST EXPENSE (ON SECURITY DEPOSITS)	427.0	\$ 2,846	\$ -	\$ 2,846	\$ (690)	\$ 2,156
2			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
3	TOTAL		\$ 2,846	\$ -	\$ 2,846	\$ (690)	\$ 2,156

1/

1/ See Schedule H-1 for details on allocation adjustment

WEST TEXAS GAS  
SUMMARY OF INTEREST EXPENSE ON SECURITY DEPOSITS - DETAIL BY DIVISION  
JANUARY - DECEMBER, 2016

<u>Line</u>	(a) <u>Item</u>	TOTAL COMPANY								
		(b) <u>FERC Account</u>	(c) <u>Texas</u>	(d) <u>Transmission</u>	(e) <u>Oklahoma</u>	(f) <u>Texhoma</u>	(g) <u>Wheeler</u>	(h) <u>SUG</u>	(i) <u>Corporate</u>	(j) <u>Total</u>
1	INTEREST EXP (ON SECURITY DEPOSITS)	427.0	\$ 1,966	\$ -	\$ 560	\$ 250	\$ 71	\$ -	\$ -	\$ 2,846
2			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	TOTAL		\$ 1,966	\$ -	\$ 560	\$ 250	\$ 71	\$ -	\$ -	\$ 2,846





WEST TEXAS GAS  
SUMMARY OF INTEREST EXPENSE ON SECURITY DEPOSITS - DETAIL BY DIVISION  
JANUARY - DECEMBER, 2016

<u>Line</u>	(a) <u>Item</u>	AS ADJUSTED								
		(b) <u>FERC Account</u>	(c) <u>Texas</u>	(d) <u>Transmission</u>	(e) <u>Oklahoma</u>	(f) <u>Texhoma</u>	(g) <u>Wheeler</u>	(h) <u>SUG</u>	(i) <u>Corporate</u>	(j) <u>Total</u>
7	INTEREST EXP (ON SECURITY DEPOSITS)	427.0	\$ 1,966	\$ -	\$ 560	\$ 250	\$ 71	\$ -	\$ -	\$ 2,846
8			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	TOTAL		\$ 1,966	\$ -	\$ 560	\$ 250	\$ 71	\$ -	\$ -	\$ 2,846

**WEST TEXAS GAS**  
**SUMMARY OF INTEREST EXPENSE ON SECURITY DEPOSITS - DETAIL BY DIVISION**  
**JANUARY - DECEMBER, 2016**

10 PERCENT ALLOCATED TO TEXAS OPERATIONS 1/ 100.00% 0.00% 0.00% 51.91% 85.30% 20.65% 46.96%

**ALLOCATED TO TEXAS OPERATIONS**

<u>Line</u>	<u>(a)</u> <u>Item</u>	<u>(b)</u> <u>FERC Account</u>	<u>(c)</u> <u>Texas</u>	<u>(d)</u> <u>Transmission</u>	<u>(e)</u> <u>Oklahoma</u>	<u>(f)</u> <u>Texhoma</u>	<u>(g)</u> <u>Wheeler</u>	<u>(h)</u> <u>SUG</u>	<u>(i)</u> <u>Corporate</u>	<u>(j)</u> <u>Total</u>
11	INTEREST EXP (ON SECURITY DEPOSITS)	427.0	\$ 1,966	\$ -	\$ -	\$ 130	\$ 60	\$ -	\$ -	\$ 2,156
12			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	TOTAL		\$ 1,966	\$ -	\$ -	\$ 130	\$ 60	\$ -	\$ -	\$ 2,156
14	Allocated to Non Texas Operations		\$ -	\$ -	\$ (560)	\$ (120)	\$ (10)	\$ -	\$ -	\$ (690)

2/

1/ Allocation factors from GUD 10235, Schedules A-4.1, A-4.1.2, A-4.1.3 and A-4.1.4

2/ See Schedule F for explanation of adjustments

WEST TEXAS GAS  
SUMMARY OF TAXES OTHER THAN INCOME TAXES  
JANUARY - DECEMBER, 2016

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Line</u>	<u>Item</u>	<u>FERC Account</u>	<u>Total Company</u>	<u>Adjustments</u>	<u>As Adjusted</u>	<u>Allocation</u>	<u>Allocated to</u>
						<u>Adjustments</u>	<u>Texas Operations</u>
1	AD VALOREM TAXES	408.1	\$ 1,327,547	\$ -	\$ 1,327,547	\$ (136,402)	\$ 1,191,145
2	AD VALOREM TAXES	408.2	\$ 32,108	\$ -	\$ 32,108	\$ (17,030)	\$ 15,078
3	FEDERAL EXCISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -
4	STATE EXCISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -
5	FRANCHISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -
6	FRANCHISE TAX	408.2	\$ 8,323	\$ -	\$ 8,323	\$ (4,415)	\$ 3,908
7	OTHER TAXES	408.2	\$ 8,594	\$ -	\$ 8,594	\$ -	\$ 8,594
8	MISC RECEIPTS TAX	408.1	\$ 72,253	\$ -	\$ 72,253	\$ (711)	\$ 71,543
9	PAYROLL TAX	408.1	\$ 392,432	\$ -	\$ 392,432	\$ (37,337)	\$ 355,094
10	PAYROLL TAXES	408.2	\$ 430,572	\$ (430,572)	\$ -	\$ -	\$ -
11	TOTAL		\$ 2,271,828	\$ (430,572)	\$ 1,841,256	\$ (195,894)	\$ 1,645,362

1/

1/ See Schedule I-1 for details on allocation adjustment

**WEST TEXAS GAS**  
**SUMMARY OF TAXES OTHER THAN INCOME TAXES - DETAIL BY DIVISION**  
**JANUARY - DECEMBER, 2016**

		<b>TOTAL COMPANY</b>								
<u>Line</u>	<u>(a)</u> <u>Item 1/</u>	<u>(b)</u> <u>FERC Account</u>	<u>(c)</u> <u>Texas</u>	<u>(d)</u> <u>Transmission</u>	<u>(e)</u> <u>Oklahoma</u>	<u>(f)</u> <u>Texhoma</u>	<u>(g)</u> <u>Wheeler</u>	<u>(h)</u> <u>SUG</u>	<u>(i)</u> <u>Corporate</u>	<u>(j)</u> <u>Total</u>
1	AD VALOREM TAXES	408.1	\$ 1,106,599	\$ 1,121	\$ 65,233	\$ 141,726	\$ 12,867	\$ -	\$ -	\$ 1,327,547
2	AD VALOREM TAXES	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,108	\$ 32,108
3	FEDERAL EXCISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	STATE INCOME TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	FRANCHISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	FRANCHISE TAX	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,323	\$ 8,323
7	OTHER TAXES	408.2	\$ 8,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,594
8	MISC RECEIPTS TAX	408.1	\$ 69,470	\$ 133	\$ -	\$ 562	\$ 2,088	\$ -	\$ -	\$ 72,253
9	PAYROLL TAX	408.1	\$ 336,602	\$ -	\$ 23,323	\$ 27,661	\$ 4,846	\$ -	\$ -	\$ 392,432
10	PAYROLL TAXES	408.2	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,571	\$ 430,572
11	TOTAL		\$ 1,521,266	\$ 1,255	\$ 88,556	\$ 169,949	\$ 19,801	\$ -	\$ 471,002	\$ 2,271,828

1/ See Schedule I-1 for Monthly Detail

WEST TEXAS GAS  
SUMMARY OF TAXES OTHER THAN INCOME TAXES - DETAIL BY DIVISION  
JANUARY - DECEMBER, 2016

Line	(a) Item	ADJUSTMENTS								(j) Total	
		(b) FERC Account	(c) Texas	(d) Transmission	(e) Oklahoma	(f) Texhoma	(g) Wheeler	(h) SUG	(i) Corporate		
12	AD VALOREM TAXES	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	AD VALOREM TAXES	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	FEDERAL EXCISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	STATE EXCISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	FRANCHISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	FRANCHISE TAX	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	OTHER TAXES	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	MISC RECEIPTS TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	PAYROLL TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	PAYROLL TAXES	408.2	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (430,571)	\$ (430,571)	\$ (430,572)
22	TOTAL		\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (430,571)	\$ (430,571)	\$ (430,572)

WEST TEXAS GAS  
SUMMARY OF TAXES OTHER THAN INCOME TAXES - DETAIL BY DIVISION  
JANUARY - DECEMBER, 2016

Line	(a) Item	AS ADJUSTED								
		(b) FERC Account	(c) Texas	(d) Transmission	(e) Oklahoma	(f) Texhoma	(g) Wheeler	(h) SUG	(i) Corporate	(j) Total
23	AD VALOREM TAXES	408.1	\$ 1,106,599	\$ 1,121	\$ 65,233	\$ 141,726	\$ 12,867	\$ -	\$ -	\$ 1,327,547
24	AD VALOREM TAXES	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,108	\$ 32,108
25	FEDERAL EXCISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	STATE EXCISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	FRANCHISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	FRANCHISE TAX	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,323	\$ 8,323
29	OTHER TAXES	408.2	\$ 8,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,594
30	MISC RECEIPTS TAX	408.1	\$ 69,470	\$ 133	\$ -	\$ 562	\$ 2,088	\$ -	\$ -	\$ 72,253
31	PAYROLL TAX	408.1	\$ 336,602	\$ -	\$ 23,323	\$ 27,661	\$ 4,846	\$ -	\$ -	\$ 392,432
32	PAYROLL TAXES	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	TOTAL		\$ 1,521,265	\$ 1,255	\$ 88,556	\$ 169,949	\$ 19,801	\$ -	\$ 40,431	\$ 1,841,256

**WEST TEXAS GAS**  
**SUMMARY OF TAXES OTHER THAN INCOME TAXES - DETAIL BY DIVISION**  
**JANUARY - DECEMBER, 2016**

34 PERCENT ALLOCATED TO TEXAS OPERATIONS 1/ 100.00% 0.00% 0.00% 51.91% 85.30% 20.65% 46.96%

<b>ALLOCATED TO TEXAS OPERATIONS</b>										
<u>Line</u>	<u>(a)</u> <u>Item</u>	<u>(b)</u> <u>FERC Account</u>	<u>(c)</u> <u>Texas</u>	<u>(d)</u> <u>Transmission</u>	<u>(e)</u> <u>Oklahoma</u>	<u>(f)</u> <u>Texhoma</u>	<u>(g)</u> <u>Wheeler</u>	<u>(h)</u> <u>SUG</u>	<u>(i)</u> <u>Corporate</u>	<u>(j)</u> <u>Total</u>
35	AD VALOREM TAXES	408.1	\$ 1,106,599	\$ -	\$ -	\$ 73,570	\$ 10,975	\$ -	\$ -	\$ 1,191,145
36	AD VALOREM TAXES	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,078	\$ 15,078
37	FEDERAL EXCISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	STATE EXCISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	FRANCHISE TAX	408.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	FRANCHISE TAX	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,908	\$ 3,908
41	OTHER TAXES	408.2	\$ 8,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,594
42	MISC RECEIPTS TAX	408.1	\$ 69,470	\$ -	\$ -	\$ 292	\$ 1,781	\$ -	\$ -	\$ 71,543
43	PAYROLL TAX	408.1	\$ 336,602	\$ -	\$ -	\$ 14,359	\$ 4,134	\$ -	\$ -	\$ 355,094
44	PAYROLL TAXES	408.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	TOTAL		\$ 1,521,265	\$ -	\$ -	\$ 88,221	\$ 16,890	\$ -	\$ 18,986	\$ 1,645,362
46	Allocated to Non Texas Operations		\$ -	\$ (1,255)	\$ (88,556)	\$ (81,729)	\$ (2,911)	\$ -	\$ (21,444)	\$ (195,894)

1/ Allocation factors from GUD 10235, Schedules A-4.1, A-4.1.2, A-4.1.3 and A-4.1.4

2/ See Schedule F for explanation of adjustments



WEST TEXAS GAS, INC  
CALCULATION OF INCOME TAXES  
JANUARY - DECEMBER, 2016

<u>Line</u>	<u>Description</u> (a)	<u>Factors</u> (b)	<u>Reference</u> (c)
1	Total Texas Jurisdictional Income Before Federal Income Tax	\$ 1,272,765	Summary, Col (d), Line 13
2	Federal Income Tax Rate	39.60%	
3	Federal Income Tax	504,015	Line 1 times Line 2
4	State Income Tax	-	
5			
6	Total Income Tax Allocated to Texas Jurisdictional Operations	\$ 504,015	Line 3 plus Line 4

WEST TEXAS GAS  
CLAIMED COST OF CAPITAL  
JANUARY - DECEMBER, 2016

<u>No</u>	(a) <u>Item</u>	(b) <u>Percentage</u>	(c) <u>Cost</u>	(d) <u>Weighted Cost</u>
1	LONG TERM DEBT	50.00%	5.32%	2.66%
2	COMMON EQUITY	50.00%	10.50%	5.25%
3	Total	100.00%		7.91%

1/

1/ GUD 10235 - Amended Unanimous Settlement Agreement, Item 3, Page 3

WEST TEXAS GAS, INC.  
**OVERALL COST OF SERVICE AND REVENUE DEFICIENCY - CORRECTED**  
 TEST PERIOD JULY 2011 - JUNE 2012

(a)	(b)	(c)	(d)	(e)	(f)	(g)	
<u>LINE</u>	<u>DESCRIPTION</u>	<u>REFERENCE</u>	<u>TOTAL COMPANY</u>	<u>ADJUSTMENTS</u>	<u>AS ADJUSTED</u>	<u>ALLOCATION ADJUSTMENT</u>	<u>ALLOCATED TO TEXAS OPERATIONS</u>
1	O&M/A&G Expense	Schedule A-4, line 25	\$ 16,769,614	\$ (757,539)	\$ 16,012,075	\$ (4,813,995)	\$ 11,198,080
2	Depreciation Expense	Schedules D-2, line 34	\$ 4,921,482	\$ (1,248,318)	\$ 3,673,164	\$ (739,337)	\$ 2,933,827
3	Taxes Other Than Income Taxes	Schedule I-2, line 11	\$ 1,558,509	\$ 22,185	\$ 1,580,694	\$ (276,267)	\$ 1,304,427
4	Income Taxes 1/	Schedule H-1, line 7	N/A	N/A	N/A	N/A	\$ 1,990,493
5	Return 2/	Schedule H-1, line 2	N/A	N/A	N/A	N/A	\$ 4,836,692
6	Total		N/A	N/A	N/A	N/A	\$ 22,263,519
7	Revenue Credits	Schedule K-2.2	\$ (539,921)	\$ 3,000	\$ (536,921)	\$ 108,779	\$ (428,142)
8	Net Cost of Service		N/A	N/A	N/A	N/A	\$ 21,835,377

<u>Line</u>	<u>Description</u>	<u>REFERENCE</u>	<u>ALLOCATED TO TEXAS OPERATIONS</u>	<u>TOTAL TEXAS JURISDICTIONAL</u>	<u>TEXAS DOMESTIC</u>	<u>TEXAS NON-DOMESTIC</u>	<u>TEXAS NON-JURISDICTIONAL</u>
9	O&M/A&G Expense	Schedule K-1 Page 1, line 1	\$ 11,198,080	\$ 4,682,641	\$ 3,873,221	\$ 809,420	\$ 6,515,439
10	Depreciation Expense	Schedule K-1 Page 1, line 2	\$ 2,933,827	\$ 1,085,355	\$ 884,635	\$ 200,721	\$ 1,848,472
11	Taxes Other Than Income Taxes	Schedule K-1 Page 1, line 3	\$ 1,304,427	\$ 512,128	\$ 422,346	\$ 89,782	\$ 792,299
12	Income Taxes	Schedule K-1 Page 1, line 4	\$ 1,990,493	\$ 776,823	\$ 633,667	\$ 143,156	\$ 1,213,670
13	Return	Schedule K-1 Page 1, line 5	\$ 4,836,692	\$ 1,887,598	\$ 1,539,744	\$ 347,854	\$ 2,949,093
14	Total	Schedule K-1 Page 1, line 6	\$ 22,263,519	\$ 8,944,544	\$ 7,353,612	\$ 1,590,932	\$ 13,318,975
15	Revenue Credits	Schedule K-1 Page 1, line 7	\$ (428,142)	\$ (172,009)	\$ (141,415)	\$ (30,595)	\$ (256,133)
16	Net Cost of Service	Schedule K-1 Page 1, line 8	\$ 21,835,377	\$ 8,772,535	\$ 7,212,197	\$ 1,560,338	\$ 13,062,842
17	Test Year Jurisdictional Revenues 3/	Schedule K-1 Page 2, line 8		\$ 5,017,824	\$ 3,651,206	\$ 1,366,618	
18	Deficiency			\$ 3,754,711	\$ 3,560,992	\$ 193,720	
19	Proposed Increase	Schedule K-1 page 2, line 18		\$ 3,754,711	\$ 3,560,992	\$ 193,720	
20	Percent Increase			74.83%	97.53%	14.18%	
21	Remaining Deficiency			\$ -	\$ -	\$ -	
22	Pre Tax Return			12.74%	12.74%	12.74%	
23	After Tax Return			9.03%	9.03%	9.03%	

1/ WTG is a Sub S Corporation whose tax liability is passed down to it's stockholder

2/ WTG Return includes changes in equity from subsidiaries, income from other states and other items

3/ At current rates and with volumes restated for normal weather, unadjusted amount is \$5,027,006 from Schedule A-1 page 1 of 3, line 3 column H

**WEST TEXAS GAS, INC.**  
**OPERATION & MAINTENANCE EXPENSES**  
**TEST PERIOD JULY 2011 - JUNE 2012**

GUD 10235

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		<b>PER BOOKS</b>								
<u>Line</u>	<u>Item 1/</u>	<u>FERC Account</u>	<u>Texas</u>	<u>Transmission</u>	<u>Oklahoma</u>	<u>Texhoma</u>	<u>Wheeler</u>	<u>SUG</u>	<u>Corporate</u>	<u>Total Company</u>
1	OTHER GAS SUPPLY EXPENSES	813.0	\$ 108,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171	\$ 108,749
2	GATHERING & TRANSPORTATION FEES	858.0	\$ 246,945	\$ -	\$ -	\$ 290,577	\$ -	\$ 36,876	\$ -	\$ 574,399
3	MAINTENANCE OF MAINS	863.0	\$ 12,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,694
4	OPERATION SUPERVISION & ENGINEERING - CAPITALIZED LABOR	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	OPERATION SUPERVISION & ENGINEERING - LABOR	870.0	\$ 3,688,247	\$ -	\$ 254,417	\$ 304,506	\$ 39,305	\$ -	\$ -	\$ 4,286,475
6	OPERATION SUPERVISION & ENGINEERING - OTHER	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	MAINS & SERVICES EXPENSES - LABOR	874.0	\$ 113,927	\$ 8,525	\$ 5,585	\$ 1,296	\$ 65	\$ -	\$ -	\$ 129,398
8	MAINS & SERVICES EXPENSES - OTHER	874.0	\$ 786,975	\$ 46,854	\$ 33,152	\$ 26,063	\$ 8,790	\$ 26,681	\$ (2,500)	\$ 926,015
9	OTHER EXPENSES	880.0	\$ 13,856	\$ 634	\$ 38,443	\$ 11,997	\$ 9,276	\$ -	\$ 6,125	\$ 80,331
10	RENTS	881.0	\$ 256,641	\$ -	\$ 6,295	\$ 651	\$ 4,800	\$ -	\$ -	\$ 268,387
11	MAINTENANCE OF STRUCTURES & IMPROVEMENTS	886.0	\$ 56,213	\$ -	\$ 430	\$ 60	\$ 280	\$ -	\$ -	\$ 56,983
12	MAINTENANCE OF MAINS	887.0	\$ 377,545	\$ -	\$ 12,651	\$ 439	\$ 26,104	\$ -	\$ -	\$ 416,739
13	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	888.0	\$ -	\$ 5,426	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,426
14	MAINTENANCE OF MEASURING & REGULATING STATION EQUIPMENT	889.0	\$ 455,760	\$ 1,564	\$ 20,389	\$ 19,744	\$ 2,665	\$ -	\$ 999	\$ 501,121
15	MAINTENANCE OF OTHER EQUIPMENT	894.0	\$ 449,544	\$ -	\$ 20,678	\$ 33,655	\$ 2,999	\$ 5,518	\$ 38,843	\$ 551,236
16	UNCOLLECTIBLE ACCOUNTS	904.0	\$ 263,190	\$ -	\$ 4,279	\$ 24,189	\$ -	\$ -	\$ -	\$ 291,657
17	ADVERTISING EXPENSES	913.0	\$ 14,262	\$ -	\$ 2,026	\$ 574	\$ 60	\$ -	\$ 41,358	\$ 58,280
18	ADMINISTRATIVE & GENERAL SALARIES	920.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,727	\$ 3,866,912	\$ 4,013,639
19	OFFICE SUPPLIES & EXPENSES	921.0	\$ 25,251	\$ -	\$ -	\$ -	\$ -	\$ 14,822	\$ 464,655	\$ 504,728
20	OUTSIDE SERVICES EMPLOYED	923.0	\$ 78	\$ -	\$ -	\$ -	\$ -	\$ 465	\$ 1,389,081	\$ 1,389,624
21	PROPERTY INSURANCE	924.0	\$ 20,454	\$ -	\$ -	\$ -	\$ -	\$ 41,118	\$ 187,861	\$ 249,433
22	EMPLOYEE PENSIONS & BENEFITS	926.0	\$ 146,076	\$ -	\$ 666	\$ 508	\$ -	\$ 182,909	\$ 336,601	\$ 666,760
23	MISCELLANEOUS GENERAL EXPENSES	930.2	\$ 806,685	\$ 2,745	\$ 44,291	\$ 43,339	\$ -	\$ 51,959	\$ 591,472	\$ 1,540,491
24	RENTS	931.0	\$ 4,964	\$ -	\$ -	\$ -	\$ -	\$ 298	\$ 131,790	\$ 137,052
25	TOTAL COMPANY		\$ 7,847,883	\$ 65,748	\$ 443,302	\$ 757,599	\$ 94,343	\$ 507,373	\$ 7,053,367	\$ 16,769,614

**WEST TEXAS GAS, INC.**  
**OPERATION & MAINTENANCE EXPENSES**  
**TEST PERIOD JULY 2011 - JUNE 2012**

GUD 10235

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		<b>ADJUSTMENTS</b>								
<u>Line</u>	<u>Item 2/</u>	<u>FERC Account</u>	<u>Texas</u>	<u>Transmission</u>	<u>Oklahoma</u>	<u>Texhoma</u>	<u>Wheeler</u>	<u>SUG</u>	<u>Corporate</u>	<u>Total Company</u>
26	OTHER GAS SUPPLY EXPENSES	813.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27	GATHERING & TRANSPORTATION FEES	858.0	\$ (246,945)	\$ -	\$ -	\$ (290,577)	\$ -	\$ (36,876)	\$ -	\$ (574,399)
28	MAINTENANCE OF MAINS	863.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	OPERATION SUPERVISION & ENGINEERING - CAPITALIZED LABOR	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	OPERATION SUPERVISION & ENGINEERING - LABOR	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,097	\$ -	\$ 2,097
31	OPERATION SUPERVISION & ENGINEERING - OTHER	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	MAINS & SERVICES EXPENSES - LABOR	874.0	\$ 95,574	\$ -	\$ -	\$ 6,772	\$ -	\$ -	\$ -	\$ 102,346
33	MAINS & SERVICES EXPENSES - OTHER	874.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	OTHER EXPENSES	880.0	\$ (157,472)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (157,472)
35	RENTS	881.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	MAINTENANCE OF STRUCTURES & IMPROVEMENTS	886.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	MAINTENANCE OF MAINS	887.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	888.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	MAINTENANCE OF MEASURING & REGULATING STATION EQUIPMENT	889.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	MAINTENANCE OF OTHER EQUIPMENT	894.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	UNCOLLECTIBLE ACCOUNTS	904.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	ADVERTISING EXPENSES	913.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	ADMINISTRATIVE & GENERAL SALARIES	920.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,563	\$ 185,563
44	OFFICE SUPPLIES & EXPENSES	921.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	OUTSIDE SERVICES EMPLOYED	923.0	\$ (30,667)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (284,929)	\$ (315,596)
46	PROPERTY INSURANCE	924.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	EMPLOYEE PENSIONS & BENEFITS	926.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
48	MISCELLANEOUS GENERAL EXPENSES	930.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (78)	\$ (78)
49	RENTS	931.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	TTOAL ADJUSTMENTS		\$ (339,510)	\$ -	\$ -	\$ (283,805)	\$ -	\$ (34,779)	\$ (99,444)	\$ (757,539)

WEST TEXAS GAS, INC.  
OPERATION & MAINTENANCE EXPENSES  
TEST PERIOD JULY 2011 - JUNE 2012

GUD 10235

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		AS ADJUSTED								
Line	Item	FERC Account	Texas	Transmission	Oklahoma	Texhoma	Wheeler	SUG	Corporate	Total Company
51	OTHER GAS SUPPLY EXPENSES	813.0	\$ 108,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171	\$ 108,749
52	GATHERING & TRANSPORTATION FEES	858.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53	MAINTENANCE OF MAINS	863.0	\$ 12,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,694
54	OPERATION SUPERVISION & ENGINEERING - CAPITALIZED LABOR	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	OPERATION SUPERVISION & ENGINEERING - LABOR	870.0	\$ 3,688,247	\$ -	\$ 254,417	\$ 304,506	\$ 39,305	\$ 2,097	\$ -	\$ 4,288,572
56	OPERATION SUPERVISION & ENGINEERING - OTHER	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	MAINS & SERVICES EXPENSES - LABOR	874.0	\$ 209,501	\$ 8,525	\$ 5,585	\$ 8,068	\$ 65	\$ -	\$ -	\$ 231,744
58	MAINS & SERVICES EXPENSES - OTHER	874.0	\$ 786,975	\$ 46,854	\$ 33,152	\$ 26,063	\$ 8,790	\$ 26,681	\$ (2,500)	\$ 926,015
59	OTHER EXPENSES	880.0	\$ (143,616)	\$ 634	\$ 38,443	\$ 11,997	\$ 9,276	\$ -	\$ 6,125	\$ (77,141)
60	RENTS	881.0	\$ 256,641	\$ -	\$ 6,295	\$ 651	\$ 4,800	\$ -	\$ -	\$ 268,387
61	MAINTENANCE OF STRUCTURES & IMPROVEMENTS	886.0	\$ 56,213	\$ -	\$ 430	\$ 60	\$ 280	\$ -	\$ -	\$ 56,983
62	MAINTENANCE OF MAINS	887.0	\$ 377,545	\$ -	\$ 12,651	\$ 439	\$ 26,104	\$ -	\$ -	\$ 416,739
63	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	888.0	\$ -	\$ 5,426	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,426
64	MAINTENANCE OF MEASURING & REGULATING STATION EQUIPMENT	889.0	\$ 455,760	\$ 1,564	\$ 20,389	\$ 19,744	\$ 2,665	\$ -	\$ 999	\$ 501,121
65	MAINTENANCE OF OTHER EQUIPMENT	894.0	\$ 449,544	\$ -	\$ 20,678	\$ 33,655	\$ 2,999	\$ 5,518	\$ 38,843	\$ 551,236
66	UNCOLLECTIBLE ACCOUNTS	904.0	\$ 263,190	\$ -	\$ 4,279	\$ 24,189	\$ -	\$ -	\$ -	\$ 291,657
67	ADVERTISING EXPENSES	913.0	\$ 14,262	\$ -	\$ 2,026	\$ 574	\$ 60	\$ -	\$ 41,358	\$ 58,280
68	ADMINISTRATIVE & GENERAL SALARIES	920.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,727	\$ 4,052,475	\$ 4,199,201
69	OFFICE SUPPLIES & EXPENSES	921.0	\$ 25,251	\$ -	\$ -	\$ -	\$ -	\$ 14,822	\$ 464,655	\$ 504,728
70	OUTSIDE SERVICES EMPLOYED	923.0	\$ (30,589)	\$ -	\$ -	\$ -	\$ -	\$ 465	\$ 1,104,152	\$ 1,074,028
71	PROPERTY INSURANCE	924.0	\$ 20,454	\$ -	\$ -	\$ -	\$ -	\$ 41,118	\$ 187,861	\$ 249,433
72	EMPLOYEE PENSIONS & BENEFITS	926.0	\$ 146,076	\$ -	\$ 666	\$ 508	\$ -	\$ 182,909	\$ 336,601	\$ 666,760
73	MISCELLANEOUS GENERAL EXPENSES	930.2	\$ 806,685	\$ 2,745	\$ 44,291	\$ 43,339	\$ -	\$ 51,959	\$ 591,394	\$ 1,540,413
74	RENTS	931.0	\$ 4,964	\$ -	\$ -	\$ -	\$ -	\$ 298	\$ 131,790	\$ 137,052
75	TOTAL OPERATIONS AND MAINTENANCE AS ADJUSTED		\$ 7,508,372	\$ 65,748	\$ 443,302	\$ 473,794	\$ 94,343	\$ 472,594	\$ 6,953,923	\$ 16,012,075

WEST TEXAS GAS, INC.  
OPERATION & MAINTENANCE EXPENSES  
TEST PERIOD JULY 2011 - JUNE 2012

GUD 10235

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
76	PERCENT ALLOCATED TO TEXAS OPERATIONS 3/		100.00%	0.00%	0.00%	51.91%	85.30%	20.65%	46.96%	

Line	Item	ALLOCATED TO TEXAS OPERATIONS									
		FERC Account	Texas	Transmission	Oklahoma	Texhoma	Wheeler	SUG	Corporate	Total Company	
77	OTHER GAS SUPPLY EXPENSES	813.0	\$ 108,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149	\$ 108,726	
78	GATHERING & TRANSPORTATION FEES	858.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
79	MAINTENANCE OF MAINS	863.0	\$ 12,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,694	
80	OPERATION SUPERVISION & ENGINEERING - CAPITALIZED LABOR	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
81	OPERATION SUPERVISION & ENGINEERING - LABOR	870.0	\$ 3,688,247	\$ -	\$ -	\$ 158,057	\$ 33,528	\$ 433	\$ -	\$ 3,880,265	
82	OPERATION SUPERVISION & ENGINEERING - OTHER	870.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
83	MAINS & SERVICES EXPENSES - LABOR	874.0	\$ 209,501	\$ -	\$ -	\$ 4,188	\$ 55	\$ -	\$ -	\$ 213,744	
84	MAINS & SERVICES EXPENSES - OTHER	874.0	\$ 786,975	\$ -	\$ -	\$ 13,528	\$ 7,498	\$ 5,510	\$ (2,175)	\$ 811,336	
85	OTHER EXPENSES	880.0	\$ (143,616)	\$ -	\$ -	\$ 6,227	\$ 7,913	\$ -	\$ 5,329	\$ (124,147)	
86	RENTS	881.0	\$ 256,641	\$ -	\$ -	\$ 338	\$ 4,095	\$ -	\$ -	\$ 261,073	
87	MAINTENANCE OF STRUCTURES & IMPROVEMENTS	886.0	\$ 56,213	\$ -	\$ -	\$ 31	\$ 239	\$ -	\$ -	\$ 56,483	
88	MAINTENANCE OF MAINS	887.0	\$ 377,545	\$ -	\$ -	\$ 228	\$ 22,267	\$ -	\$ -	\$ 400,040	
89	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	888.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
90	MAINTENANCE OF MEASURING & REGULATING STATION EQUIPMENT	889.0	\$ 455,760	\$ -	\$ -	\$ 10,249	\$ 2,273	\$ -	\$ 869	\$ 469,151	
91	MAINTENANCE OF OTHER EQUIPMENT	894.0	\$ 449,544	\$ -	\$ -	\$ 17,469	\$ 2,558	\$ 1,140	\$ 33,795	\$ 504,505	
92	UNCOLLECTIBLE ACCOUNTS	904.0	\$ 263,190	\$ -	\$ -	\$ 12,555	\$ -	\$ -	\$ -	\$ 275,745	
93	ADVERTISING EXPENSES	913.0	\$ 14,262	\$ -	\$ -	\$ 298	\$ 51	\$ -	\$ 35,983	\$ 50,594	
94	ADMINISTRATIVE & GENERAL SALARIES	920.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,304	\$ 1,262,424	\$ 1,292,728	
95	OFFICE SUPPLIES & EXPENSES	921.0	\$ 25,251	\$ -	\$ -	\$ -	\$ -	\$ 3,061	\$ 144,749	\$ 173,061	
96	OUTSIDE SERVICES EMPLOYED	923.0	\$ (30,589)	\$ -	\$ -	\$ -	\$ -	\$ 96	\$ 960,670	\$ 930,177	
97	PROPERTY INSURANCE	924.0	\$ 20,454	\$ -	\$ -	\$ -	\$ -	\$ 8,492	\$ 163,449	\$ 192,395	
98	EMPLOYEE PENSIONS & BENEFITS	926.0	\$ 146,076	\$ -	\$ -	\$ 264	\$ -	\$ 37,777	\$ 104,858	\$ 288,974	
99	MISCELLANEOUS GENERAL EXPENSES	930.2	\$ 806,685	\$ -	\$ -	\$ 22,496	\$ -	\$ 10,731	\$ 514,543	\$ 1,354,455	
100	RENTS	931.0	\$ 4,964	\$ -	\$ -	\$ -	\$ -	\$ 61	\$ 41,055	\$ 46,081	
101	TOTAL ALLOCATED TO TEXAS AS ADJUSTED		\$ 7,508,372	\$ -	\$ -	\$ 245,927	\$ 80,476	\$ 97,606	\$ 3,265,698	\$ 11,198,080	
102	Adjustment for Non-Texas Related Expenses		\$ -	\$ (65,748)	\$ (443,302)	\$ (227,867)	\$ (13,866)	\$ (374,988)	\$ (3,688,225)	\$ (4,813,995)	

1/ See Schedule A-4.2 for Monthly Detail

2/ See Schedule A-2 for explanation of adjustments

3/ See Schedule A-4.1.1 through Schedule A-4.1.4 for derivation of allocation factors.

WEST TEXAS GAS  
ALLOCATION FACTORS FOR TEXHOMA  
TEST PERIOD JULY 2011 - JUNE 2012

<u>LINE</u>	(a) <u>DISTRICT</u>	(b) <u>REFERENCE</u>	(c) <u>GROSS PLANT</u>	(d) <u>% PLANT</u>
1	TEXHOMA TEXAS	Schedule C-1.3 line 102	\$ 2,311,544	51.91%
2	TEXHOMA OKLAHOMA	Schedule C-1.3 line 102	\$ 2,141,789	48.09%
3	TOTAL TEXHOMA	Schedule C-1.3 line 102	\$ 4,453,333	100.00%
	<u>ITEM</u>			
4	ALLOCATOR			51.91%

Allocator is used to allocate Texhoma Expenses between Texas and Other



WEST TEXAS GAS  
ALLOCATION FACTORS FOR WHEELER  
TEST PERIOD JULY 2011 - JUNE 2012

<u>LINE</u>	(a) <u>DISTRICT</u>	(b) <u>REFERENCE</u>	(c) <u>GROSS PLANT</u>	(d) <u>% PLANT</u>
1	WHEELER TEXAS	Schedule C-1.3 line 102	\$ 309,904	85.30%
2	WHEELER OKLAHOMA	Schedule C-1.3 line 102	\$ 53,397	14.70%
3	TOTAL WHEELER	Schedule C-1.3 line 102	\$ 363,302	100.00%
4	<u>ITEM</u> ALLOCATOR			85.30%

Allocator is used to allocate Wheeler Expenses between Texas and Other

**WEST TEXAS GAS  
ALLOCATION FACTORS FOR SUG  
TEST PERIOD JULY 2011 - JUNE 2012**

<u>LINE</u>	(a) <u>DISTRICT</u>	(b) <u>REFERENCE</u>	(c) <u>GROSS PLANT</u>	(d) <u>% PLANT</u>
1	OKLAHOMA	Schedule C-1.1 line 102	\$ 8,934,048	
2	WHEELER OKLAHOMA DISTRICT	Schedule C-1.3 line 102	\$ (53,397)	
3	OKLAHOMA ADMINISTERED BY SUG		\$ 8,880,650	79.35%
4	TEXHOMA TEXAS	Schedule C-1.3 line 102	\$ 2,311,544	20.65%
5	TOTAL SUG		\$ 11,192,195	100.00%
	<u>ITEM</u>			
6	ALLOCATOR			20.65%

**WEST TEXAS GAS, INC.**  
**TOTAL INVESTED CAPITAL (RATE BASE) - CORRECTED**  
**TEST PERIOD JULY 2011 - JUNE 2012**

<u>Line</u>	<u>(a)</u> <u>Item</u>	<u>(b)</u> <u>Reference</u>	<u>(c)</u> <u>Total Company</u>	<u>(d)</u> <u>Adjustments</u>	<u>(e)</u> <u>As Adjusted</u>	<u>(f)</u> <u>Allocation Adjustments</u>	<u>(g)</u> <u>Allocated to Texas Ops</u>
1	Gross Plant	Schedule C-1 Page 1	\$ 137,885,641	\$ (22,006,498)	\$ 115,879,144	\$ (11,047,548)	\$ 104,831,596
2	Contributions in Aid of Construction	Schedule E-4 Page 2	\$ 7,259,330	\$ (2,267,394)	\$ 4,991,936	\$ (781,063)	\$ 4,210,874
3	DD&A Reserve	Schedule D-1 Page 1	\$ 38,747,033	\$ (3,306,306)	\$ 35,440,726	\$ (5,804,726)	\$ 29,636,000
4	Net Plant		\$ 91,879,279	\$ (16,432,798)	\$ 75,446,481	\$ (4,461,759)	\$ 70,984,722
5	Plus: Working Capital						
6	Cash Allowance		\$ -	\$ -	\$ -	\$ -	\$ -
7	Materials and Supplies	Schedule E-3	\$ 755,381	\$ -	\$ 755,381	\$ (95,076)	\$ 660,304
8	Total Working Capital		\$ 755,381	\$ -	\$ 755,381	\$ (95,076)	\$ 660,304
9	Less: Def. Income Taxes	Schedule H-2	\$ -	\$ 23,768,476	\$ 23,768,476	\$ (5,697,796)	\$ 18,070,680
10	Total		\$ 92,634,659	\$ (40,201,274)	\$ 52,433,385	\$ (10,254,632)	\$ 53,574,346
11	Rate of Return	Schedule F-1					9.03%
12	Return	Schedule H-1					\$ 4,836,692

WEST TEXAS GAS  
CALCULATION OF INCOME TAXES  
TEST PERIOD JULY 2011 - JUNE 2012

	(a)	(b)	(c)	(d)
<u>Line</u>	<u>Description</u>	<u>Reference</u>	<u>% Rates</u>	<u>Texas Amount</u>
1	Rate Base	Schedule B-1, Line 10	9.03%	\$ 53,574,346
2	Total Return			\$ 4,836,692
3	Less: Interest Expense		2.13%	\$ 1,140,062
4	Taxable Portion of Return			\$ 3,696,630
			<u>Tax Rate</u>	
5	Federal Income Taxes		35.00%	\$ 1,990,493
6	State Income Taxes - TX		0.00%	\$ -
7	Total Income Taxes			\$ 1,990,493

**WEST TEXAS GAS**  
**COST OF SERVICE BY CUSTOMER CLASS**  
**TEST PERIOD JULY 2011 - JUNE 2012**

(a) <u>Line</u>	(b) <u>Description</u>	(c) <u>REFERENCE</u>	(d) TEXAS OPERATIONS			(f) <u>TOTAL</u>	(g) DOMESTIC		(i) <u>TOTAL</u>	(j) NON-DOMESTIC		(l) <u>TOTAL</u>	(m) NON-JURISDICTIONAL		(n) <u>CAPACITY</u>
			(c) <u>TOTAL</u>	(d) <u>CUSTOMER</u>	(e) <u>CAPACITY</u>		(g) <u>CUSTOMER</u>	(h) <u>CAPACITY</u>		(j) <u>CUSTOMER</u>	(k) <u>CAPACITY</u>		(m) <u>CUSTOMER</u>	(n) <u>CAPACITY</u>	
1	O&M/A&G Expense	Schedule K-1.5, lines 49-51	\$ 11,198,080	\$ 4,720,887	\$ 6,477,193	\$ 3,873,221	\$ 3,139,899	\$ 733,322	\$ 809,420	\$ 450,890	\$ 358,530	\$ 6,515,439	\$ 1,130,099	\$ 5,385,341	
2	Depreciation Expense	Schedule K-1.4, line 13	\$ 2,933,827	\$ 1,195,668	\$ 1,738,159	\$ 884,635	\$ 690,663	\$ 193,972	\$ 200,721	\$ 105,829	\$ 94,892	\$ 1,848,472	\$ 399,177	\$ 1,449,295	
3	Other Taxes	Schedule K-1.6, line 11-13	\$ 1,304,427	\$ 537,414	\$ 767,013	\$ 422,346	\$ 339,091	\$ 83,254	\$ 89,782	\$ 49,006	\$ 40,776	\$ 792,299	\$ 149,316	\$ 642,983	
4	Income Taxes	Schedule K-1.4, line 12	\$ 1,990,493	\$ 802,794	\$ 1,187,699	\$ 633,667	\$ 493,394	\$ 140,273	\$ 143,156	\$ 74,608	\$ 68,548	\$ 1,213,670	\$ 234,792	\$ 978,878	
5	Return	Schedule K-1.4, line 11	\$ 4,836,692	\$ 1,950,707	\$ 2,885,985	\$ 1,539,744	\$ 1,198,896	\$ 340,848	\$ 347,854	\$ 181,289	\$ 166,565	\$ 2,949,093	\$ 570,521	\$ 2,378,572	
6	Total		\$ 22,263,519	\$ 9,207,469	\$ 13,056,050	\$ 7,353,612	\$ 5,861,943	\$ 1,491,669	\$ 1,590,932	\$ 861,621	\$ 729,311	\$ 13,318,975	\$ 2,483,905	\$ 10,835,069	
7	Revenue Credits 1/	Schedule A-1.1, Page 1, Column G	\$ (428,142)	\$ (177,066)	\$ (251,076)	\$ (141,415)	\$ (112,729)	\$ (28,686)	\$ (30,595)	\$ (16,570)	\$ (14,025)	\$ (256,133)	\$ (47,767)	\$ (208,365)	
8	Net Cost of Service		\$ 21,835,377	\$ 9,030,404	\$ 12,804,973	\$ 7,212,197	\$ 5,749,214	\$ 1,462,983	\$ 1,560,338	\$ 845,052	\$ 715,286	\$ 13,062,842	\$ 2,436,138	\$ 10,626,704	

1/ Pro Rata on Cost of Service

**WEST TEXAS GAS**  
**VARIOUS FACTORS FOR CUSTOMER CLASS DERIVATION - CORRECTED**  
**TEST PERIOD JULY 2011 - JUNE 2012**

<u>LINE</u>	(a) <u>ITEM</u>	(b) <u>REFERENCE</u>	(c)	(d) <u>CUSTOMER</u>	(e) <u>CAPACITY</u>
1	Pipe	Summary Plant Study, line 7		39.1288%	60.8712%
2	Meters	Summary Plant Study, line 8		66.4205%	33.5795%
3	Aggregate	Summary Plant Study, line 9		40.0699%	59.9301%
4	Total Gas Plant	Schedule K-1.2, Line 52		40.7546%	59.25%
<u>LINE</u>	<u>ITEM</u>	<u>REFERENCE</u>	<u>DOMESTIC</u>	<u>NON-DOMESTIC</u>	<u>NON-JURISDICTIONAL</u>
5	Customer Count	Schedule A-1, page 3 column G	14,985	2,148	5,068
6	Customer Count Percentage		67.4966%	9.6757%	22.8277%
7	Design Day Percentage	Design Day Workpaper, Last Column	11.4636%	5.6019%	82.9345%
8	Throughput	Schedule A-1, page 2 Column G	840,022	465,768	30,423,641
9	Throughput Percentage		2.6475%	1.4679%	95.8846%
10	Total Gas Plant	Schedule K-1.2, Line 52	30.1529%	6.8416%	63.01%

WEST TEXAS GAS  
RATE BASE AND RELATED ITEMS BY CUSTOMER CLASS  
TEST PERIOD JULY 2011 - JUNE 2012

LINE	(a) ITEM	(b) REFERENCE	(c) TEXAS OPERATIONS			(d) DOMESTIC			(e) NON-DOMESTIC			(f) NON-JURISDICTIONAL			(g) BASIS
			(c) TOTAL	(d) CUSTOMER	(e) CAPACITY	(f) TOTAL	(g) CUSTOMER	(h) CAPACITY	(i) TOTAL	(j) CUSTOMER	(k) CAPACITY	(l) TOTAL	(m) CUSTOMER	(n) CAPACITY	
1	Gross Plant	Schedule K-1.2, Line 51	\$ 104,831,596	\$ 42,723,654	\$ 62,107,942	\$ 31,609,791	\$ 24,678,779	\$ 6,931,012	\$ 7,172,154	\$ 3,781,486	\$ 3,390,668	\$ 66,049,650	\$ 14,263,388	\$ 51,786,262	
2	Accumulated D,D&A	Schedule K-1.3, Line 47	\$ 29,636,000	\$ 12,547,490	\$ 17,088,511	\$ 8,417,220	\$ 6,607,386	\$ 1,809,833	\$ 1,926,546	\$ 1,039,199	\$ 887,347	\$ 19,292,234	\$ 4,900,904	\$ 14,391,330	
3	Aids in Construction	Schedule E-4, page 2	\$ 4,210,874	\$ 1,473,347	\$ 2,737,527	\$ 887,626	\$ 692,998	\$ 194,628	\$ 201,399	\$ 106,187	\$ 95,212	\$ 3,121,848	\$ 674,161	\$ 2,447,686	I/NJ Assignment based on customer type
4	Net Plant		\$ 70,984,722	\$ 28,702,817	\$ 42,281,905	\$ 22,304,945	\$ 17,378,394	\$ 4,926,551	\$ 5,044,208	\$ 2,636,100	\$ 2,408,108	\$ 43,635,568	\$ 8,688,322	\$ 34,947,246	
5	Working Capital:														
6	Cash	Schedule B-1, Column G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7	Materials and Supplies	Schedule B-1, Column G	\$ 660,304	\$ 269,104	\$ 391,200	\$ 199,101	\$ 155,445	\$ 43,656	\$ 45,175	\$ 23,819	\$ 21,357	\$ 416,028	\$ 89,841	\$ 326,187	Pro Rata on Gross Plant
8	Total WC		\$ 660,304	\$ 269,104	\$ 391,200	\$ 199,101	\$ 155,445	\$ 43,656	\$ 45,175	\$ 23,819	\$ 21,357	\$ 416,028	\$ 89,841	\$ 326,187	
9	Less: Deferred Taxes	Schedule B-1, Column G	\$ 18,070,680	\$ 7,364,626	\$ 10,706,054	\$ 5,448,838	\$ 4,254,083	\$ 1,194,755	\$ 1,236,323	\$ 651,846	\$ 584,477	\$ 11,385,519	\$ 2,458,697	\$ 8,926,822	
10	Total Rate Base		\$ 53,574,346	\$ 21,607,295	\$ 31,967,051	\$ 17,055,208	\$ 13,279,756	\$ 3,775,452	\$ 3,853,061	\$ 2,008,073	\$ 1,844,987	\$ 32,666,077	\$ 6,319,466	\$ 26,346,611	61.0%
11	Return	Schedule H-1 Column D	\$ 4,836,692	\$ 1,950,707	\$ 2,885,985	\$ 1,539,744	\$ 1,198,896	\$ 340,848	\$ 347,854	\$ 181,289	\$ 166,565	\$ 2,949,093	\$ 570,521	\$ 2,378,572	Pro Rata on Rate Base
12	Income Taxes	Schedule H-1 Column D	\$ 1,990,493	\$ 802,794	\$ 1,187,699	\$ 633,667	\$ 493,394	\$ 140,273	\$ 143,156	\$ 74,608	\$ 68,548	\$ 1,213,670	\$ 234,792	\$ 978,878	Pro Rata on Rate base
13	Depreciation Expense	Schedule D-2 Page 1, line 34	\$ 2,933,827	\$ 1,195,668	\$ 1,738,159	\$ 884,635	\$ 690,663	\$ 193,972	\$ 200,721	\$ 105,829	\$ 94,892	\$ 1,848,472	\$ 399,177	\$ 1,449,295	Pro Rata on Gross Plant

**GAS OPERATING REVENUES AND EXPENSES**

If solely engaged in intrastate operations complete column (c) only.

Line No.	Account (a)	Texas Operations (b)	Total Operations (c)	Line No.
<b>OPERATING REVENUES</b>				
<b>Sales of Gas</b>				
1	(480) Residential Sales	\$ 7,350,830	\$ 9,446,715	1
2	(481) Sm. Commercial and Industrial Sales	71,807,373	72,309,740	2
3	(481) Lg. Commercial and Industrial Sales	7,491,067	7,505,992	3
4	(482) Other Sales to Public Authorities	1,133,953	1,537,765	4
5	(483) Sales for Resale	4,417,464	5,237,707	5
6	(484) Interdepartmental Sales	389,420	389,420	6
7	(485) Intracompany Transfers	-	-	7
8	'Unbilled Revenues' (if any, report here only) [requires Footnote]	(153,906)	(156,842)	8
9	Total Sales of Gas (Lines 1 thru 8)	\$ 92,436,201	\$ 96,270,497	9
<b>Other Operating Revenues</b>				
10	(487) Forfeited Discounts	\$ 642	\$ 4,011	10
11	(488) Miscellaneous Service Revenues	229,350	260,770	11
12	(489.1-3) Revenues from Transportation. . .(G, T & D)	4,495,311	6,422,094	12
13	(489.4) Revenues from Storing Gas of Others	-	-	13
14	(490) Sales of Products Extracted from Natural Gas	-	-	14
15	(491) Revenues from Natural Gas Processed by Others	-	-	15
16	(492) Incidental Gasoline and Oil Sales	-	-	16
17	(493) Rent from Gas Property	-	-	17
18	(494) Interdepartmental Rents	-	-	18
19	(495) Other Gas Revenues	290,110	290,110	19
20	(496) Provision for Rate Refunds [requires Footnote]	-	-	20
21	Total Other Operating Revenues (Lines 10 thru 20)	\$ 5,015,413	\$ 6,976,985	21
22	<b>TOTAL OPERATING REVENUES</b> (Line 9 plus 21)	<b>\$ 97,451,614</b>	<b>\$ 103,247,482</b>	22
<b>OPERATION &amp; MAINTENANCE EXPENSES</b>				
<b>Manufactured Gas Production Expenses</b>				
23	(700-742) Steam and Manufactured Gas Expenses	\$ -	\$ -	23
<b>Natural Gas Production Exp. - Prod. &amp; Gathering</b>				
24	(750) Operation Supervision and Engineering	\$ -	\$ -	24
25	(751) Production Maps and Records	-	-	25
26	(752) Gas Wells Expenses	-	-	26
27	(753) Field Lines Expenses	-	-	27
28	(754) Field Compressor Station Expenses	-	-	28
29	(755) Field Compressor Station Fuel and Power	-	-	29
30	(756) Field Measuring and Regulating Station Expenses	-	-	30
31	(757) Purification Expenses	-	-	31
32	(758) Gas Wells Royalties	-	-	32
33	(759) Other Expenses	-	-	33
34	(760) Rents	-	-	34
35	(761) Maintenance Supervision and Engineering	-	-	35
36	(762) Maintenance of Structures and Improvements	-	-	36
37	(763) Maintenance of Producing Wells	-	-	37
38	(764) Maintenance of Field Lines	-	-	38
39	(765) Maintenance of Field Compressor Station Equip.	-	-	39
40	(766) Maintenance of Field Meas. and Reg. Station Equip.	-	-	40
41	(767) Maintenance of Purification Equipment	-	-	41
42	(768) Maintenance of Drilling and Cleaning Equipment	-	-	42
43	(769) Maintenance of Other Equipment	-	-	43
44	Total Prod. & Gathering Expenses (Lines 24 thru 43)	\$ -	\$ -	44