

Our mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans.

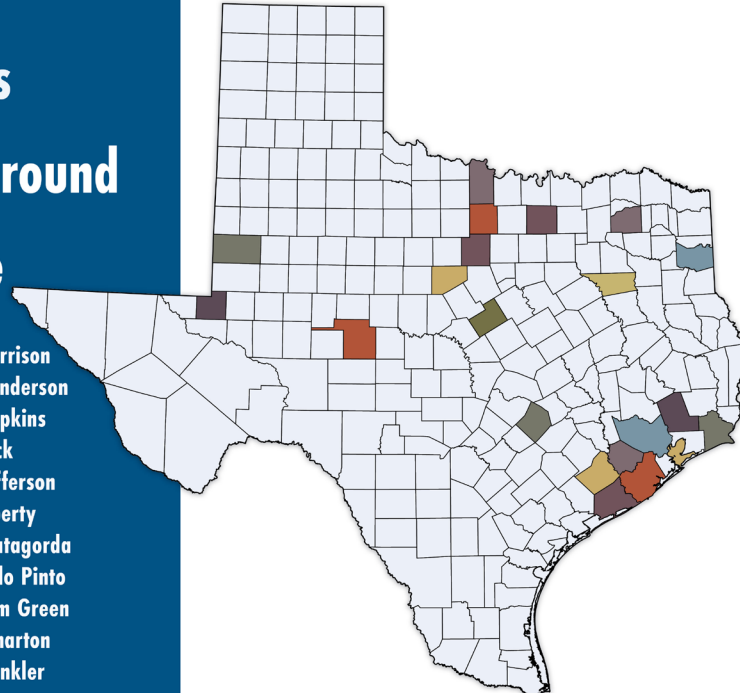
Texas' Underground Storage Facilities

Underground storage is a vital component of the natural gas supply in the state. When natural gas production is higher than consumption it can be stored. It can then be withdrawn from storage to meet demand. Processed gas in storage and pipelines is used to offset real-time changes in demand and daily production variances.

Operators of underground natural gas storage kept storage packed during winter. Texas had on average approximately 450 billion cubic feet (bcf) of working gas in underground storage. This processed dry gas is what can be pulled and immediately used for power generation and to heat homes. To meet maximum demand for gas-fired power generation, 15 bcf is needed, which allows every gas-fired power plant to run at full capacity. The flexibility and steadiness provided by storage is the key to maintaining dependable and responsive natural gas delivery.

Texas counties with underground gas storage

- | | |
|-----------|------------|
| Anderson | Harrison |
| Bastrop | Henderson |
| Brazoria | Hopkins |
| Clay | Jack |
| Denton | Jefferson |
| Eastland | Liberty |
| Fort Bend | Matagorda |
| Gaines | Palo Pinto |
| Hamilton | Tom Green |
| Harris | Wharton |
| | Winkler |



House Bill 1520

RRC's commissioners approved a financing order in early February that will prevent huge spikes in gas utility bills for more than 4 million residential and 260,000 commercial customers because of Winter Storm Uri.

Natural gas utilities are authorized by law to pass through the cost of gas each month, without markup. It is illegal in Texas for natural gas utilities to profit from the sale of natural gas.

The financing order is not a windfall for natural gas utilities and is for the benefit of Texas consumers. This order allows natural gas utilities to spread the high cost of gas incurred during last year's winter storm across multiple monthly bills rather than having customers face a large spike in one bill.

Customer rate-relief bonds will be issued for Atmos Energy, CenterPoint, Texas Gas Service and five smaller Texas gas utilities to spread out charges for customers over an extended period. The financing order is authorized by House Bill 1520 which was passed on a bipartisan basis by the 87th Legislature last year. As settled by the parties, the bonds total approximately \$3.4 billion for extraordinary gas costs from last year's winter storm.

The Texas Public Finance Authority is required to issue the customer rate-relief bonds within six months. Bond proceeds will be used to reimburse participating gas utilities for their gas costs.