

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

APPLICATION OF CENTERPOINT ENERGY ENTEX FOR TEST YEAR 2011 ANNUAL INTERIM RATE ADJUSTMENT PROGRAM FOR THE ENVIRONS OF THE SOUTH TEXAS DIVISION AND THE CITIES OF BEEVILLE, EAGLE LAKE, FLORESVILLE, GOLIAD, HALLETTSVILLE, KENEDY, NEW BRAUNFELS, NORDHEIM, PLEASANTON, SAN DIEGO, SCHERTZ, SEGUIN, SELMA, SINTON, AND WEIMAR	§ § § § § § § § § § §	GAS UTILITIES DOCKET NO. 10151
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INTERIM RATE ADJUSTMENT ORDER

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE Chapter 551. The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

FINDINGS OF FACT

Background

1. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company") is a "gas utility," as that term is defined in the TEXAS UTILITY CODE, and is subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
2. CenterPoint owns and operates a natural gas distribution system in its South Texas Division.
3. On March 30, 2012, CenterPoint filed an application for an annual interim rate adjustment ("IRA") to its rates for gas service to customers located in the environs and the above named cities of the Company's South Texas Division that have ceded original jurisdiction to the Commission.
4. CenterPoint requested that the interim rate adjustment become effective on May 29, 2012.
5. On April 10, 2012, the Commission suspended implementation of the Company's proposed interim rate adjustments until July 13, 2012, which would be 45 days following the 60th day after the application would be considered complete.

6. Neither TEX. UTIL. CODE §104.301 nor 16 TEX. ADMIN. CODE §7.7101 provide the opportunity for parties to intervene in the Commission's review of an application for an annual IRA.
7. 16 TEX. ADMIN. CODE §7.7101 allows written comments or a protest, concerning the proposed IRA, to be filed with the Gas Services Division.
8. The City of Hallettsville urged the Commission to establish a very high burden of proof in this proceeding.
9. Robert and Lorraine Miller urged the Commission to exempt them from any rate increase because of their age and being on a fixed income.
10. This docket represents the first annual IRA for CenterPoint in the South Texas Division service area since its Statement of Intent in Gas Utility Docket ("GUD") No. 10038.¹
11. Until promulgation of TEX. UTIL. CODE §104.301, a utility could not increase its rates subject to the Commission's jurisdiction without filing with the Commission a formal statement of intent rate case, including a comprehensive cost of service rate review.
12. The proposed IRA will allow CenterPoint an opportunity to recover, **subject to refund**, a return on investment, depreciation expense, and related taxes on the incremental cost of infrastructure investment since its last rate case, without the necessity of filing a statement of intent rate case and without review by the Commission of the Company's comprehensive cost of service.

Applicability

13. This docket applies to only those rates over which the Commission has original jurisdiction, which includes the unincorporated areas of the South Texas Division and cities that have ceded original jurisdiction to the Commission.
14. As of December 1, 2011, CenterPoint had approximately 138,717 customers in the South Texas Division. Of these, 128,607 were residential customers, 9,834 were small commercial, and 276 were Large General Service customers.

¹ *Statement of Intent of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Texas Gas to Increase Rates on a Division Wide Basis in the South Texas Division.*

Most Recent Comprehensive Rate Case

15. CenterPoint's most recent rate case for the area in which the IRA will be implemented is GUD No. 10038.
16. GUD No. 10038 was filed on December 3, 2010.
17. CenterPoint and the Alliance of CenterPoint Municipalities and the Steering Committee of Cities reached a settlement in this proceeding
18. The Commission signed the GUD No. 10038 Final Order on, April 18, 2011 approving and adopting the settlement.
19. The base rates currently charged by CenterPoint were approved by the Commission in GUD No. 10038.
20. The following chart shows the factors that were established in GUD No. 10038 to calculate the return on investment, depreciation expense, ad valorem taxes, revenue related taxes, and incremental federal income tax, in this IRA proceeding.

GUD No. 10038 CALCULATION FACTORS

Factor	CenterPoint
Return on Investment	8.75%
Depreciation Expense	By FERC Account ²
Ad Valorem Taxes	.65%
Revenue Related Taxes	NA ³
Federal Income Taxes	35%

Interim Rate Adjustment

21. The revenue amounts to be recovered through CenterPoint's proposed annual interim rate adjustments are incremental to the revenue requirement established in the Company's most recent rate case for the area in which the interim rate adjustment is to be implemented, i.e., GUD No. 10038.
22. In this, the first interim rate adjustment following their most recent rate case, GUD 10038, CenterPoint adjusted its rates based on the difference between its invested capital at the end of the most recent rate case test-year (June 30, 2010 updated through December 31, 2010)

² I confirmed that the Company used the appropriate depreciation rates as approved in GUD No. 10038.

³ Revenue related taxes are not reflected here because they are recovered through a separate rider.

and the invested capital at the end of the calendar-year following the end of the most recent rate case test-year (December 31, 2011).

23. The value of the Company's invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment for the Company's interim rate adjustments.
24. CenterPoint's incremental net utility plant investment increase in this proceeding is **\$14,480,579** (Exhibit A).
25. CenterPoint is required to use the same factors to calculate the interim return on investment, depreciation expense, ad valorem taxes, revenue related taxes, and incremental federal income tax as those established or used in the final order setting rates in the Company's most recent rate case for the area in which the interim rate adjustment is to be implemented.⁴
26. CenterPoint is required to allocate the revenue to be collected through the interim rate adjustment among its customer classes in the same manner as the cost of service was allocated among its customer classes in its most recent rate case for the area in which the interim rate adjustment is to be implemented.
27. The Company proposed the interim rate adjustment as a flat rate to be applied to the monthly customer charges and monthly meter charges rather than as a volumetric rate to be applied to the initial block usage rates (Exhibit B).
28. CenterPoint is required to show its annual interim rate adjustments on its customers' monthly billing statements as a surcharge.
29. The proposed interim rate adjustment does not require an evidentiary proceeding; rather, TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101 require the regulatory authority to review a utility's method of calculating the interim rate adjustment.
30. Due process protections are deferred until CenterPoint files its next full statement of intent rate case.

Notice

31. CenterPoint provided adequate notice to its residential, small commercial, and large volume customers by bill insert beginning on April 4, 2012 and ending on May 2, 2012.

Comprehensive Rate Case Required

⁴ Statement of Intent Filed by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas to Increase Rates on a Division Wide Basis in the South Texas Division (GUD No.10038).

32. The Company is not required to initiate a rate case supporting a statement of intent, at the time it applies for an interim rate adjustment.
33. A gas utility that implements an interim rate adjustment and does not file a rate case before the fifth anniversary of the date its initial interim rate adjustment became effective is required to file a rate case not later than the 180th day after that anniversary.

Review of Interim Rate Adjustment

34. CenterPoint's proposed allocation methodology complies with TEX. UTIL. CODE §104.301, and with 16 TEX. ADMIN. CODE §7.7101.
35. For allocation methodology, it is reasonable for the Commission to approve use of the Company's overall cost of service as determined in its most recent rate case. The following overall cost of service allocation factors for use in the calculation of CenterPoint's interim rate adjustment are reasonable:

Customer Class	Allocation Factors
Residential	0.847989
Commercial	0.128714
Large Volume	0.023297

36. CenterPoint's proposed customer and meter counts comply with TEX. UTIL. CODE §104.301, and with 16 TEX. ADMIN. CODE §7.7101. For calculating the number of customer charges or meter charges per year, it is reasonable for the Commission to approve use of 2011 monthly summation of number of customers. The following total number of customer and meter charges for use in the calculation of the interim rate adjustment are reasonable:

Customer Class	Total Number of Customer Charges / Meters
Residential	1,528,930
Commercial	115,594
Large Volume	3,414
Total	1,647, 938

37. It is reasonable for the Commission to approve CenterPoint's applications for interim rate adjustments. The following amounts of interim rate adjustment revenue and additional customer charges by customer class are reasonable:

Customer Class	Interim Rate Adjustment Revenue	Additional Customer / Meter Charges
Residential	\$2,030,141	\$1.33
Commercial	\$308,140	\$2.67
Large Volume	\$55,785	\$16.34

Reimbursements of Expense

38. As provided for in the statute and the rule, a gas utility that implements an interim rate adjustment is required to reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the interim rate adjustment mechanism.
39. After the Commission has finally acted on CenterPoint's application for an interim rate adjustment, the Director of the Gas Services Division will estimate the Company's proportionate share of the Commission's annual costs related to the processing of such applications.
40. In making the estimate of the Company's proportionate share of the Commission's annual costs related to the processing of such applications, the Director will take into account the number of utilities the Commission reasonably expects to file for interim rate adjustments during the fiscal year, and the costs expected to be incurred in processing such applications.
41. CenterPoint is required to reimburse the Commission for the amount determined by the Director of the Gas Services Division and approved by the Commission, within thirty days after receipt of notice of the amount of the reimbursement.

CONCLUSIONS OF LAW

1. CenterPoint is a "gas utility" as defined in TEX. UTIL. CODE §101.003(7) and §121.001, and is therefore subject to the jurisdiction of the Commission.
2. The Commission has jurisdiction over CenterPoint, CenterPoint's applications for interim adjustments for incremental changes in investment, and the subject matter of this case under TEX. UTIL. CODE §102.001, §104.001, §104.002, and §104.301.
3. Under TEX. UTIL. CODE §102.001, the Commission has exclusive original jurisdiction over the rates and services of a gas utility that distributes natural gas in areas outside of a municipality and over the rates and services of a gas utility that transmits, transports, delivers, or sells natural gas to a gas utility that distributes the gas to the public.

4. Under the provisions of the TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101, CenterPoint is required to seek Commission approval before implementing an interim rate adjustment tariff for environs customers.
5. CenterPoint filed its applications for interim rate adjustments for changes in investment in accordance with the provisions of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101.
6. The Company's application for an interim rate adjustment was processed in accordance with the requirements of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101.
7. In accordance with 16 TEX. ADMIN. CODE §7.315, within thirty days of the effective date of any change to rates or services, CenterPoint is required to file with the Gas Services Division of the Commission its revised tariffs.
8. CenterPoint may not charge any rate that has not been successfully filed and accepted as a tariff filing electronically pursuant to TEX. UTIL. CODE §§102.151 and 104.002 and 16 TEX. ADMIN. CODE §7.315.
9. In accordance with TEX. UTIL. CODE §104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(a), the filing date of CenterPoint's most recent rate case, in which there is a final order setting rates for the area in which the interim rate adjustment will apply, was no more than two years prior to the date CenterPoint filed its initial interim rate adjustment.
10. CenterPoint is required, under TEX. UTIL. CODE §104.301(e) and 16 TEX. ADMIN. CODE §7.7101(d), to file with the Commission an annual project report, including the cost, need, and customers benefited by the change in investment, and describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year.
11. CenterPoint shall include in all future annual interim rate adjustment filings, relocation project reports that provide additional information about relocation project costs included in investment projects, in the same format as required in this docket.
12. The Company is required, under TEX. UTIL. CODE §104.301(f) and 16 TEX. ADMIN. CODE §7.7101(e), to file with the Commission an annual earnings monitoring report demonstrating the Utility's earnings during the preceding calendar year.
13. CenterPoint is required, under 16 TEX. ADMIN. CODE §7.7101(h), to recalculate its approved interim rate adjustments annually and is required to file an application for an annual adjustment no later than 60 days prior to the one-year anniversary of the proposed implementation date of the previous interim rate adjustment application.

14. In accordance with 16 TEX. ADMIN. CODE §7.7101(i), all amounts collected from customers under CenterPoint's interim rate adjustment tariffs or rate schedules are subject to refund. The issues of refund amounts, if any, and whether interest should be included on refunded amounts and, if so, the rate of interest, shall be addressed in the rate case a gas utility files or the Commission initiates after the implementation of an interim rate adjustment and shall be the subjects of specific findings of fact in the Commission's final order setting rates.
15. In accordance with 16 TEX. ADMIN. CODE §7.7101(j), in the rate case that CenterPoint files or the Commission initiates after the implementation of an interim rate adjustment, any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall be fully subject to review for reasonableness and prudence. Upon issuance of a final order setting rates in the rate case that the Company files or the Commission initiates after the implementation of an interim rate adjustment, any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall no longer be subject to review for reasonableness or prudence.
16. The Commission has authority to suspend the implementation of the interim rate adjustment, under TEX. UTIL. CODE §104.301(a) and 16 TEX. ADMIN. CODE §7.7101(e).
17. CenterPoint provided adequate notice, in accordance with TEX. UTIL. CODE §104.301(a) and 16 TEX. ADMIN. CODE §7.7101(b).
18. The Company's applications for interim rate adjustments, as proposed, comply with all provisions of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101.
19. CenterPoint's interim rate adjustments established in the findings of fact and conclusions of law, comply with the provisions of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101.
20. In accordance with TEX. UTIL. CODE §104.301(h) and 16 TEX. ADMIN. CODE §7.7101(l), CenterPoint shall file a comprehensive rate case for the areas in which the interim rate adjustment is implemented, not later than the 180th day after the fifth anniversary of the date its initial interim rate adjustment became effective.
21. The Commission has authority, under TEX. UTIL. CODE §104.301(j) and 16 TEX. ADMIN. CODE §7.7101(m), to recover from CenterPoint the Utility's proportionate share of the Commission's annual costs related to the administration of the interim rate adjustment mechanism.

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT CenterPoint's interim rate adjustments as requested and to the extent recommended to be approved in the findings of fact and conclusions of law are **HEREBY APPROVED** to be effective for bills rendered on or after July 13, 2012.

IT IS FURTHER ORDERED THAT within 30 days of this order CenterPoint **SHALL** electronically file its interim rate adjustment tariffs in proper form that accurately reflect the rates, as expressed in Exhibit B, approved by the Commission in this Order.

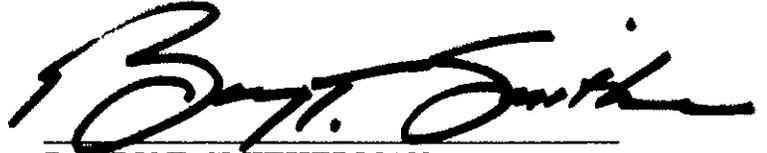
IT IS FURTHER ORDERED THAT CenterPoint **SHALL** not charge any rate that has not been electronically filed and accepted by the Commission as a tariff.

IT IS FURTHER ORDERED THAT CenterPoint **SHALL** reimburse the expenses incurred by the Commission in reviewing these applications. The amount of this reimbursement shall be determined by the Director of the Gas Services Division and must be approved by the Commission. This Order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this Order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Any portion of the Utility's application not expressly granted herein is overruled. All requested findings of fact and conclusions of law, which are not expressly adopted herein, are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

SIGNED this 26th day of June 2012.

RAILROAD COMMISSION OF TEXAS



BARRY T. SMITHERMAN
CHAIRMAN

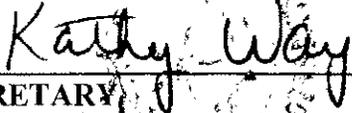


DAVID PORTER
COMMISSIONER

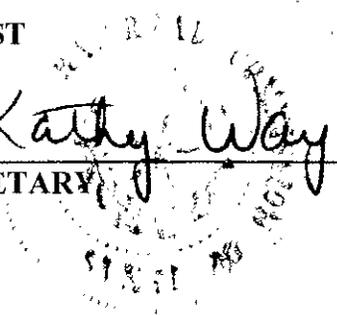


BUDDY GARCIA
COMMISSIONER

ATTEST



SECRETARY



GUD No. 10151

Interim Rate Adjustment Order

Interim Rate Adjustment Order

EXHIBIT A

Interim Rate Adjustment Summary

CenterPoint Energy

SUMMARY
CENTERPOINT ENERGY - SOUTH TEXAS DIVISION
 Period Ended December 31, 2011

Line No.	Description (a)	Prior Year** (b)	Reference (c)	12/31/11 Current Year (d)	Reference (e)
1	Net Investment	\$ 75,818,753	(IRA-7, Ln 76, Col k)	\$ 90,300,332	(IRA-8, Ln 76, Col k)
2	Increase in Net Investment			\$ 14,480,579	(Ln 1, Col d) minus (Ln 1, Col b)
3	Authorized Return on Capital			8.7500%	(IRA-15, Ln 8, Col c)
4					
5	Change in Return on Net Investment			\$ 1,267,051	(Ln 2, Col d) times (Ln 3, Col d)
6	Change in Depreciation Expense			\$ 564,380	(IRA-10, Ln 76, Col k) plus (IRA-13, Ln 73, Col k)
7	Change in Federal, Revenue, and Other Taxes			\$ 562,634	(IRA-5, Ln 3, Col g) plus (IRA-6, Ln 22, Col c) plus (IRA-6, Ln 26, Col C)
8	Change in Revenue Requirement			\$ 2,394,065	(Sum Ln 5 thru 7, Col d)
9					
10	Annual Number of Bills			1,647,938	(WP IRA-3a Cust Count Ln. 39 Col. P)
11	Increase Per Bill Per Month			See Below	
12	(to be applied to monthly customer charge or initial block rate, check one)				
13	<input checked="" type="checkbox"/> Monthly Customer Charge				
14	<input type="checkbox"/> Initial Block Rate				
15					

Current and Proposed Bill Information - With Gas Cost @ 14.85 Pressure Base				
	Current	Proposed	Difference	% Change
19 Residential Customers (R-2085)				
20 Average Monthly Bill* @ 23 Ccf (2.3 Mcf)	\$28.51	\$29.84	\$1.33	4.67%
21				
22 Commercial Customers (GSS-2085)				
23 Current Average Monthly Bill* @ 171 Ccf (17.1 Mcf)	\$108.83	\$111.50	\$2.67	2.45%
24				
25 General Service-Large Volume Customers (GSLV-616)				
26 Current Average Monthly Bill* @ 3,084 Ccf (308.4 Mcf)	\$1,506.49	\$1,522.83	\$16.34	1.08%
27				
28 * Average Use per month per GUD 10038				

Current and Proposed Bill Information - Without Gas Cost @ 14.85 Pressure Base				
	Current	Proposed	Difference	% Change
32 Residential Customers (R-2085)				
33 Average Monthly Bill* @ 23 Ccf (2.3 Mcf)	\$18.96	\$20.29	\$1.33	7.01%
34				
35 Commercial Customers (GSS-2085)				
36 Current Average Monthly Bill* @ 171 Ccf (17.1 Mcf)	\$37.89	\$40.56	\$2.67	7.06%
37				
38 General Service-Large Volume Customers (GSLV-616)				
39 Current Average Monthly Bill* @ 3,084 Ccf (308.4 Mcf)	\$227.06	\$243.40	\$16.34	7.20%
40				
41 * Average Use per month per GUD 10038				

Current and Proposed Bill Information - With Gas Cost @ 14.95 Pressure Base				
	Current	Proposed	Difference	% Change
44 Residential Customers (R-2085)				
45 Average Monthly Bill* @ 23 Ccf (2.3 Mcf)	\$28.80	\$30.13	\$1.33	4.62%
46				
47 Commercial Customers (GSS-2085)				
48 Current Average Monthly Bill* @ 171 Ccf (17.1 Mcf)	\$110.62	\$113.29	\$2.67	2.41%
49				
50 * Average Use per month per GUD 10038				

Current and Proposed Bill Information - Without Gas Cost @ 14.95 Pressure Base				
	Current	Proposed	Difference	% Change
54 Residential Customers (R-2085)				
55 Average Monthly Bill* @ 23 Ccf (2.3 Mcf)	\$19.07	\$20.40	\$1.33	6.97%
56				
57 Commercial Customers (GSS-2085)				
58 Current Average Monthly Bill* @ 171 Ccf (17.1 Mcf)	\$38.25	\$40.92	\$2.67	6.98%
59				
60 * Average Use per month per GUD 10038				

** Amounts per Final Order GUD No. 10038
 Amounts shown are Standard Sales Service

GUD No. 10151

Interim Rate Adjustment Order

Interim Rate Adjustment Order

EXHIBIT B

Interim Rate Adjustment Tariffs

CenterPoint Energy

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
SOUTH TEXAS DIVISION
RATE SHEET
RESIDENTIAL SERVICE
RATE SCHEDULE NO. R-2085-GRIP 2012**

APPLICATION OF SCHEDULE

This schedule is applicable to any customer to whom service is supplied in a single private dwelling unit and its appurtenances, the major use of which is for household appliances, and for the personal comfort and convenience of those residing therein.

Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others.

MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

(a) The Base Rate consisting of:

(1) Customer Charge – \$15.28*

(2) Commodity Charge –

For customers billed at a 14.65 Pressure Base:

All Ccf @ 14.65 \$0.2180

For customers billed at a 14.95 Pressure Base:

All Ccf @ 14.95 \$0.2225

(b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and applicable Franchise Fee Adjustment Rate Schedule.

(c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Ccf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

PAYMENT

Due date of the bill for 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.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

*Customer Charge	\$13.95
2012 GRIP Charge	<u>1.33</u>
Total Customer Charge	\$15.28

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
SOUTH TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-SMALL
RATE SCHEDULE NO. GSS-2085-GRIP 2012**

APPLICATION OF SCHEDULE

This schedule is applicable to natural gas service to any customer engaging in any business, professional or institutional activity, for all uses of gas, including cooking, heating, refrigeration, water heating, air conditioning, and power.

This schedule is applicable to any general service customer for commercial uses and industrial uses, except standby service, whose average monthly usage for the prior calendar year is 150,000 cubic feet or less. Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others.

MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

(a) The Base Rate consisting of:

(1) Customer Charge – \$ 22.67*

(2) Commodity Charge –

For customers billed at a 14.65 Pressure Base:

All Ccf @ 14.65 \$0.1046

For customers billed at a 14.95 Pressure Base:

All Ccf @ 14.95 \$0.1067

(b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and applicable Franchise Fee Adjustment Rate Schedule.

(c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Ccf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

PAYMENT

Due date of the bill for 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.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

*Customer Charge	\$20.00
2012 GRIP Charge	<u>2.67</u>
Total Customer Charge	\$22.67

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
SOUTH TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-616-GRIP 2012**

AVAILABILITY

This schedule is available at points on existing facilities of adequate capacity and suitable pressure in the area designated in the Rate Book of CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS (hereinafter called "Company").

APPLICATION OF SCHEDULE

This schedule is applicable to any general service customer for commercial uses and industrial uses whose average monthly usage for the prior calendar year is more than 150,000 cubic feet. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery and shall not be resold or shared with others. If the Consumer has a written contract with Company, the terms and provision of such contract shall be controlling.

MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

(a) The Base Rate consisting of:

(1) Customer Charge – \$116.34*

(2) Commodity Charge –
All Ccf @ \$0.0412

(b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and applicable Franchise Fee Adjustment Rate Schedule.

(c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Mcf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

WRITTEN CONTRACT

In order to receive a delivery from Company of more than 25 Mcf during any one day, the Consumer must execute a written contract with Company on Company's form of contract covering the sale of gas by Company to it. In the case of existing Consumers, the maximum gas usage during any one day shall be obtained from the records of the Company, except in cases where the existing Consumer will be purchasing increased volumes of gas from Company because of expansions or for any other reasons, in which event the Company may estimate usage by such Consumer. Also in the case of new Consumers, the Company may estimate usage by the Consumer. Any such estimates made by Company shall be binding on Consumer in determining whether or not a contract is required. Such written contract shall be executed by Consumer upon request of Company and Company shall not be obligated to serve any such Consumer more than 25 Mcf during any one day until such written contract is executed and delivered by Consumer.

*Customer Charge	\$100.00
2012 GRIP Charge	<u>16.34</u>
Total Customer Charge	\$116.34

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
SOUTH TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-616-GRIP 2012**

MEASUREMENT

The term "cubic foot of gas" for the purpose of measurement of the gas delivered and for all other purposes is the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit.

The term "Mcf" shall mean 1,000 cubic feet of gas.

The Sales Unit shall be one Mcf.

Assumed Atmospheric Pressure - The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time.

Orifice Meters - When orifice meters are used for the measurement of gas, such orifice meters shall be constructed and installed, and the computations of volume made, in accordance with the provisions of Gas Measurement Committee Report No. 3 of the American Gas Association as revised September, 1969 ("A.G.A. Report No. 3), with any subsequent amendments or revisions which may be mutually acceptable.

The temperature of the gas shall be determined by a recording thermometer so installed that it may record the temperature of the gas flowing through the meter or meters. The average of the record to the nearest one (1) degree Fahrenheit, obtained while gas is being delivered, shall be the applicable flowing gas temperature for the period under consideration.

The specific gravity of the gas shall be determined by a recording gravitometer owned and operated by the pipeline company from whom Company purchases its gas, so installed that it may record the specific gravity of the gas flowing through the meter or meters; provided, however, that the results of spot tests made by the pipeline company with a standard type specific gravity instrument shall be used at locations where the pipeline company does not have a recording gravitometer in service. If the recording gravitometer is used, the average of the record to the nearest one-thousandth (0.001), obtained while gas is being delivered, shall be the applicable specific gravity of the gas for the period under consideration. If the spot test method is used, the specific gravity of the gas delivered hereunder shall be determined once monthly, the result obtained, to the nearest one-thousandth (0.001), to be applicable during the succeeding billing month.

Adjustment for the effect of supercompressibility shall be made according to the provisions of A.G.A. Report No. 3, hereinabove identified, for the average conditions of pressure, flowing temperature and specific gravity at which the gas was measured during the period under consideration, and with the proportionate value of each carbon dioxide and nitrogen in the gas delivered included in the computation of the applicable supercompressibility factors. Company shall obtain appropriate carbon dioxide and nitrogen fraction values as may be required from time to time.

Positive Displacement Meters and Turbine Meters - When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided however, that company shall have the option of installing a recording thermometer, and if company exercises such option, corrections shall be made for each degree variation in the applicable flowing temperature for the period under consideration.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
SOUTH TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-616-GRIP 2012**

The volumes of gas determined shall be adjusted for the effect of supercompressibility as follows:

- (A) When the flowing temperature of gas is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, F_{pv} , computed in accordance with the principles of the A.G. A. Report No. 3, hereinabove identified, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average pressure at which the gas was measured.
- (B) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, F_{pv} , computed in accordance with the principles of the American Gas Association Gas Measurement Committee Report No. 3, hereinabove identified, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the gas was measured.

SUPPLY INTERRUPTIONS

Total or partial interruption of gas deliveries due to acts of God, the elements, requirements for residential and other uses declared superior to Consumers by law, or to other causes or contingencies beyond the control of Company or not proximately caused by Company's negligence, shall not be the basis for claims-delivery and receipt of gas to be resumed whenever any such cause or contingency shall end.

CHARGES FOR UNAUTHORIZED OVER-RUN GAS

Any gas taken during any day by Consumer which exceeds the maximum daily quantity specified in Consumer's contract with Company shall be considered to be unauthorized over-run gas. Any gas taken by Consumer after the effective hour of an order calling for a complete curtailment of all gas deliveries, and prior to the authorized resumption of natural gas service, hereunder shall be considered to be unauthorized over-run gas. Any gas taken by Consumer after the effective hour of an order calling for a partial curtailment, and prior to the authorized resumption of natural gas service, which exceeds the stated amount of gas deliveries Consumer may take during such partial curtailment, shall be considered to be unauthorized over-run gas. Company shall bill, and Consumer shall pay for unauthorized over-run gas at the rate of \$10.00 per Mcf, in addition to the Monthly Rate specified herein for such gas. The payment of such additional charge for unauthorized over-run gas shall not, under any circumstances, be considered as giving the Consumer the right to take unauthorized over-run gas, nor shall such payment be considered to exclude or limit any other remedies available to Company against the Consumer for exceeding the maximum daily quantity specified in Consumer's contract with Company, or for failure to comply with curtailment orders issued by Company hereunder.

The additional amount specified above charged for unauthorized over-run gas shall be adjusted, either plus or minus, to conform to the change made by Company's supplier in its rate schedule under which Company purchases its gas supply for resale under this schedule.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.