

GAS SERVICES DIVISION  
GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 7686

DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 09/21/2002 ORIGINAL CONTRACT DATE: RECEIVED DATE: 04/23/2014  
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO:  
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

| SCHEDULE ID | DESCRIPTION  |
|-------------|--|
| RS-1        | <p>1. RESIDENTIAL FIRM SALES SERVICE (RS-1) 1.1. AVAILABILITY 1.1.1. This rate is available to any consumer where gas is delivered to an individually metered, single, private dwelling and its appurtenances, the major use of which is for household appliances, and for the personal comfort and convenience of those persons residing therein. This rate schedule is not available for any dwelling used principally for commercial purposes. Natural gas supplied hereunder is for the individual use of the customer at the point of delivery and shall not be resold or shared with others. Standby service is not available under this rate schedule. 1.2. RATES 1.2.1. Each customer receiving service under this rate schedule shall be charged the sum of (a), (b), and (c) as follows: (a) Monthly Customer Charge -- \$9.75. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service. (b) Distribution Rate: First 50 Ccf at \$0.26300 per Ccf Over 50 Ccf at \$0.18470 per Ccf (c) Gas Supply Rate - The Gas Supply Rate will be calculated and adjusted periodically as defined in the Company's Gas Supply Rate Rider. 1.3. MINIMUM CHARGE 1.3.1. Monthly Customer Charge -- \$9.75. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service. 1.4. RIDERS 1.4.1. In addition to the Gas Supply Rate Rider, the following riders are applicable to service under this rate schedule: Rider Identification on Name Description Customer Bills WNA Weather Normalization Adjustment Weather Normalization Adjustment 1.4.2. Service will be rendered under this rate schedule until service is discontinued to customer or the schedule is superseded. 1.5. RULES AND REGULATIONS GOVERNING UTILITY SERVICE 1.5.1. The Commission's Special Rules of Practice and Procedure and Substantive Rules and the Company's Standard Rules and Regulations, as the same may from time to time be changed in accordance with the law, shall be applicable to service under this rate schedule.</p> |
| WNA         | <p>TEXARKANA, TEXAS SERVICE AREA<br/>                     Original<br/>                     Sheet No. 2-2.1/2<br/>                     Replacing: Sheet No.<br/>                     CenterPoint Energy Arkla, a division of CenterPoint Energy Resources Corp.<br/>                     (Name of Company)<br/>                     Kind of Service: Natural Gas Class of Service:<br/>                     Residential (RS-1) and Small Commercial (SCS-1)<br/>                     PART II - Rider Schedule No. 2 Title:<br/><br/>                     WEATHER NORMALIZATION ADJUSTMENT (WNA)<br/>                     Effective: June 12, 2003</p> <p>2. WEATHER NORMALIZATION ADJUSTMENT (WNA)<br/>                     2.1. For bills rendered from November 1 through April 30 each year, the applicable margin rates for gas service to customers served under the applicable rate schedules shall be adjusted by a Weather Normalization Adjustment (WNA) to reflect much of the impact of heating degree day variations from normal levels which were used to set rates under the applicable rate schedules.</p>  |

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2.2. In order to calculate the total weather adjustment for the applicable billing cycle, a weather deviation is computed and multiplied by the applicable margin rate. A per Ccf WNA adjustment is calculated by dividing the total weather adjustment by the average Ccf usage per customer for all customers in each billing cycle, using the formula described below. The per Ccf adjustment for each applicable rate schedule is applied to customer's usage for the billing cycle. The WNA shall be separately identified on customer bills.

2.3. CALCULATION OF WEATHER NORMALIZATION ADJUSTMENT

2.3.1. The WNA is calculated as follows:  $WNA_i = R_i(DDF_i (NDD - ADD))$   
 AAU<sub>i</sub> Where: i = Any particular rate classification to which the WNA is to be applied. WNA = Weather Normalization Dollar Adjustment per Ccf R = Applicable margin rate: Residential Service (RS-1) \$0.18470 per Ccf Small Commercial Sales (SCS-1) \$0.08552 per Ccf DDF = Degree Day Factor associated with the applicable rate schedule: TEXARKANA, TEXAS SERVICE AREA Original Sheet No. 2-2.2/2 Replacing: Sheet No. CenterPoint Energy Arkla, a division of CenterPoint Energy Resources Corp. (Name of Company) Kind of Service: Natural Gas Class of Service: Residential (RS-1) and Small Commercial (SCS-1) PART II - Rider Schedule No. 2 Title: WEATHER NORMALIZATION ADJUSTMENT (WNA) Effective: June 12, 2003 Residential Service (RS-1) .1611 Small Commercial Sales (SCS-1) .6357 NDD = Normal Degree Days during the billing cycle ADD = Actual Degree Days during the billing cycle AAU = Average Actual Usage per customer for each billing cycle

2.4. DEFINITIONS

2.4.1. Normal Degree-days: The heating degree-days, which are based on a 30-year average ending December 31, 2001 as are shown on Attachment 1.

2.4.2. Actual Degree Days: The actual heating degree days as published by Weather Services Corporation, or any other nationally recognized third-party weather service.

2.5. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1)

GSR

1.1. GAS SUPPLY RATE (GSR) APPLICABILITY AND REQUIREMENTS The charges for gas sales service contained in Arkla's total billing to sales customers shall include the cost of gas sold as identified in this Rider. For purposes of this Rider the cost of gas sold shall include the sum of all gas purchased for Arkla's customers, upstream transportation charges, storage charges, the cost of gas withdrawn from storage less the cost of gas injected into storage, any transaction-related fees, gains or losses and other transaction costs associated with the use of various financial instruments used by Arkla to stabilize prices. 1.2. DEFINITIONS 1.2.1. Cost of Gas Sold - For purposes of this clause the cost of gas sold during a month shall be the sum of all gas purchased for the customers, transportation and storage charges, the cost of gas withdrawn from storage less the cost of gas injected into storage, and any transaction-related fees, gains or losses and other transaction costs associated with the use of various financial instruments to stabilize gas prices. 1.2.2. Lost and Unaccounted for Gas (LUFG) - For purposes of this clause LUFG will be the portion of the Cost of Gas Sold that is not delivered to sales or

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transportation customers. More specifically it will contain Shrinkage, Company Used gas, and Remaining LUFG (RLUFG). Shrinkage is calculated by rate classification at the time of billing and represents a calculation of gas delivered but not measured to customers due to known departures from the Ideal Gas Laws. Company Used Gas is gas measured directly to Arkla facilities, and RLUFG is total LUFG less Shrinkage and Company Used Gas. Arkla shall not be allowed to recover LUFG in excess of 5%, computed on an annual basis.

1.2.3. Fixed Transportation Charges - Charges incurred for transporting gas to Arkla's system that do not vary with the volume of gas being transported, including, for example, pipeline Firm Transportation (FT) and No Notice Transportation (NNT) demand and/or reservation fees.

1.2.4. Fixed Storage Charges - Charges incurred for storing gas that do not vary with the volume of gas injected into or withdrawn from storage, including, for example, Firm Storage Service (FSS) demand and/or reservation fees.

1.2.5. Fixed Gas Supply Charges - Charges incurred for the acquisition of gas supply that do not vary with the volume of gas purchased, including, for example, supply demand and/or reservation fees.

1.3. GSR FILINGS

1.3.1. Scheduled GSR Filings: Arkla shall make two Scheduled GSR Filings each year: a Winter Season GSR and a Summer Season GSR. The Winter Season GSR shall be effective for billings rendered to customers during the months of November through the following March. The Summer Season GSR shall be effective for bills rendered to customers during the months of April through the following October. The Winter Season GSR filing shall contain rates reflecting: (1) the then current estimate of gas cost revenue requirement for the period between the effective date of filing and the next Summer Season GSR; and, (2) all of the annual actual cost (true-up or secondary adjustment factor) adjustments and any refund factor adjustments relating to or arising during the immediately preceding 12 months ending August each year. The Summer Season GSR filing shall contain rates reflecting: (1) the then current estimate of gas cost revenue requirements for the period between the effective date of the Summer Season GSR and the effective date of its next Winter Season GSR; and, (2) maintaining all of the actual cost of gas adjustment (annual true-up or secondary adjustment) and any refund adjustments.

1.3.2. Unscheduled GSR Filings: Should a projected under or over recovery balance arise during any seasonal PGA period which exceeds ten percent (10%) of the projected annual gas cost per the most recent scheduled PGA filing, then the Company may propose an Unscheduled PGA filing. If an Unscheduled PGA Filing is made, that filing: (1) must contain rates reflecting the then current estimate of the gas cost revenue requirement for the period from the effective date of such filing to the next scheduled filing, and (2) must maintain all of the actual cost of gas adjustment (annual true-up or secondary adjustment factors) and any refund adjustment factors. The Unscheduled PGA Factor shall remain in effect only until the next scheduled PGA Filing.

1.3.3. Scheduled and any Unscheduled GSR filings shall be filed with the Commission by the last business day of the month immediately preceding the month the proposed new GSR factor will be implemented.

1.4. ALLOCATION OF COSTS

1.4.1. Calculation of Demand Cost Component: Calculating demand costs - The demand gas cost revenue requirement component shall be the annual total of the gas costs that do not vary with the actual consumption, such as fixed transportation and storage costs, fixed gas supply charges, and fixed financial charges associated with financial instruments purchased to stabilize prices. Calculating demand cost allocation- The demand cost component of each season's filing shall be calculated by multiplying the total annual projected demand costs by the appropriate allocation factors for those demand costs for the respective RS-1, and the non- TSO SCS, and LCS customers.

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1.4.2. Calculation of Commodity Cost Component: Calculating commodity costs by season - The commodity gas cost revenue requirement component of each season's GSR shall be the sum of all gas cost purchased for sales customers other than demand costs or LUFG costs, such as variable transportation costs, gas supply commodity costs, and the transaction costs associated with the use of futures contracts and options and other prudently incurred costs associated with various financial instruments purchased by Arkla to stabilize gas supply rates. The commodity gas costs shall include the commodity cost of storage withdrawals and injections. Arkla will utilize any technique or method it deems reasonable for purposes of estimating the commodity cost component of each seasonal filing. Seasonal Commodity Cost Allocation - the seasonal commodity costs assigned to RS-1 and non-TSO SCS and LCS customers will be determined by multiplying the Seasonal Commodity Cost by the ratio of estimated sales volumes for the respective classes in that season. For purposes of Commodity allocation and the establishment of Commodity rates, the SCS-1 class will be combined and considered as one class. 1.4.3. LUFG Allocation: For purposes of LUFG allocation, and the establishment of LUFG rates, the SCS-1 class will be combined and considered as one class. LUFG will be allocated to the respective rate classes based on the factors established below for each of the components of LUFG: Shrinkage - for each rate class (including regular sales and TSO customers) shall be determined based on cost causation. Company Used Gas - shall be determined by the direct measurement of the gas consumed by Arkla facilities, and allocated to each rate class (including regular sales and TSO customers) based on the ratio of the number of customers in each class and the total for such classes. Remaining LUFG (RLUFG) - shall be defined as the difference between (a) total LUFG; and (b) the sum of Shrinkage and Company Used Gas established above. It shall be allocated to the respective customer classes as follows: 55% based on the volumes for the most recent twelve-month-ending August period of the rate classes (including regular sales and TSO customers). 35% based on the demand components for the rate classes (including regular sales and TSO customers). 10% based on the annualized number of customers of the rate classes (including regular sales and TSO customers) as of the most recent twelve-month-ending August period. 1.5. RATE CALCULATION RS-1 Customers - The GSR for Residential customers will be a per Ccf rate that is determined by summing the allocated costs in Parts 1.4.2. and 1.4.3. above and dividing that total by the projected seasonal volumes for the residential class and adding that result to the per Ccf rate determined by dividing the allocated annual costs in Part 1.4.1. by the estimated annual sales volumes. SCS and LCS Customers - The commodity portion of the rate for non-TSO customers will be determined by respectively summing the allocated costs in Parts 1.4.2. and 1.4.3. above and dividing that total by the projected seasonal volumes for the respective classes. SCS-1 customers will be combined and considered as one class for purposes of determining the commodity portion of the rate. While the calculation will be made in Ccf, it will be appropriately translated to MMBtu as needed. The demand portion of the rate for LCS non-TSO customers will be charged to the customers based on their assigned CD's in MMBtu. The rate will be determined by dividing the respective classes allocated costs in Part 1.4.1. above by their respective annualized CD's. Since the demand charges are part of an overall non-specific set of upstream contracts, the support for their allocations will be provided in the schedules supporting the filing. 1.6. SPECIAL PROVISION REGARDING TSO CUSTOMERS LUFG costs - Customers under the TSO option may provide LUFG-in-Kind gas volumes. The LUFG-in-Kind (volumetric delivery requirement) for each customer's account will be determined based on the

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most recent twelve-month ended August period and expressed as a percentage of the gas delivered for the customer's account at the customer's point of consumption. The percentage will be determined by dividing the allocated volumes of total LUGF in the respective class (SCS or LCS) by the total estimated sales volumes in their respective class. Assignment of Surcharges to TSO Customers - In the event an LCS-1 or SCS-1 customer changes its supply service election at the end of the contract term from the system supply option (SSO), the amount of the deferred gas cost account attributable to that customer shall be charged or distributed to that customer, whichever is applicable. The charging to or distribution of the deferred gas cost account attributable to that customer shall be removed or added to the deferred gas cost account of the applicable rate schedule. 1.7 DEFERRED

PURCHASED GAS COST ACCOUNTS Arkla shall establish and maintain a Deferred Gas Cost Account(s) in which shall be recorded any over or under recovery resulting from the operation of the GSR procedure. Such over or under recovery by class shall be determined monthly by comparison of the actual Cost of Gas Sold as defined above for each cost month to the gas cost revenue recovery for the same revenue month as the cost month. The accumulated balance of over or under recovered gas costs, plus the carrying charge described below, shall be used to determine the surcharge. The surcharge shall be computed annually by dividing each class' cumulative balance over recoveries or under recoveries as of the end of each August by the respective class' estimated volumes of sales for the projected twelve-month period. The surcharge shall be filed annually and will be included with the Scheduled Winter Season GSR Filing and shall be rounded to the nearest \$0.0001 per Ccf. The surcharge shall remain in effect until the earlier of: (1) superseded by a subsequent surcharge calculated according to this provision or, (2) the beginning of the second revenue month following the month in which the full recovery or refund is accomplished if such full recovery or refund is accomplished prior to the end of the established recovery period. A carrying charge shall be included in the monthly under or over recovery balance resulting from the monthly comparison of the actual Cost of Gas Sold to the revenue recovery resulting from the application of the prescribed GSR, and a carrying charge shall be included in the monthly under or over recovery balance applicable to the surcharge. The monthly carrying charge shall be determined by multiplying the average of the beginning and ending month balance of under or over recovery for the cost month times the rate of interest applicable to customer deposits. 1.8. DEMAND ALLOCATION It is recognized that over time as customer classifications change or demand levels change, the accuracy of the originally approved demand factors may deteriorate. Arkla can request a change in the allocation procedures with a minimum three month lead time prior to the filing date for the seasonal filings. Changes under this provision are limited to changes required to restore the accuracy of the originally approved demand factors and shall be not be used by either Arkla or Staff to implement changes in allocation methodologies that would normally require a general rate application.

1.9. REFUND PROVISION If an increase in the cost of gas paid or payable to Arkla shall be reduced by the final order of a duly constituted regulatory body or the final decree of a court, if appealed thereto, and such increase shall have been reflected in Arkla's rate to the extent and in the manner specified in this GSR, Arkla shall report to the Commission the receipt of any refunds resulting from such final order or decree. Thereupon, Arkla shall submit for the Commission's approval a plan to make equitable disposition of such refund monies to the extent such monies represent increased charges paid by its customers as result of this GSR; provided, however, that if the amount to be refunded to customers hereunder with

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respect to a particular refund received does not amount to more than one-tenth cent per Ccf, then Arkla will apply that refund as a credit in its cost of gas computations hereunder for the month in which it receives the refund from its supplier. Nothing in this clause shall be construed to require refunds or a reduction of Arkla's rate as a result of such an order reducing the cost of gas where the original increase in the cost of gas has not been reflected in Arkla's billings for its sales to customers under this rate schedule. 1.10. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Large Commercial Firm Service (LCS-1)

PSIF-5

PIPELINE SAFETY INSPECTION FEE

Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211.

The 2014 Pipeline Safety Fee is a one-time customer charge per bill of \$1.04, based on \$1.00 per service line. Collected from April 1, 2014 to April 30, 2014.

**RATE ADJUSTMENT PROVISIONS**

None

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| <b>CUSTOMERS</b>       |                        |                     |                           |                           |
|------------------------|------------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u>   | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 9867                   | N                      | ccf                 | \$.7741                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | ccf                 | \$.7741                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.7741                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.7741                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | ccf                 | \$.7741                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | ccf                 | \$.7741                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.7741                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.7741                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | ccf                 | \$.7741                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | ccf                 | \$.7741                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.7741                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.7741                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | ccf                 | \$.7741                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | ccf                 | \$.7741                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.7741                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.7741                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | ccf                 | \$.7741                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |

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**CUSTOMERS**

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u>   | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|------------------------|---------------------|---------------------------|---------------------------|
| 9868                   | N                      | ccf                 | \$.7741                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.7741                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.7741                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | ccf                 | \$.7741                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | ccf                 | \$.7741                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.7741                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.7741                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |

**REASONS FOR FILING**

NEW?: N RRC DOCKET NO: GUD9345 CITY ORDINANCE NO:

AMENDMENT(EXPLAIN):

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

**SERVICES**

| <u>TYPE OF SERVICE</u>        | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| A                             | Residential Sales          |
| <u>OTHER TYPE DESCRIPTION</u> |                            |



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| SCHEDULE ID | DESCRIPTION  |
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any refund adjustments. 1.3.2. Unscheduled GSR Filings: Should a projected under or over recovery balance arise during any seasonal PGA period which exceeds ten percent (10%) of the projected annual gas cost per the most recent scheduled PGA filing, then the Company may propose an Unscheduled PGA filing. If an Unscheduled PGA Filing is made, that filing: (1) must contain rates reflecting the then current estimate of the gas cost revenue requirement for the period from the effective date of such filing to the next scheduled filing, and (2) must maintain all of the actual cost of gas adjustment (annual true-up or secondary adjustment factors) and any refund adjustment factors. The Unscheduled PGA Factor shall remain in effect only until the next scheduled PGA Filing. 1.3.3. Scheduled and any Unscheduled GSR filings shall be filed with the Commission by the last business day of the month immediately preceding the month the proposed new GSR factor will be implemented. 1.4. ALLOCATION OF COSTS 1.4.1. Calculation of Demand Cost Component: Calculating demand costs - The demand gas cost revenue requirement component shall be the annual total of the gas costs that do not vary with the actual consumption, such as fixed transportation and storage costs, fixed gas supply charges, and fixed financial charges associated with financial instruments purchased to stabilize prices. Calculating demand cost allocation- The demand cost component of each season's filing shall be calculated by multiplying the total annual projected demand costs by the appropriate allocation factors for those demand costs for the respective RS-1, and the non- TSO SCS, and LCS customers. 1.4.2. Calculation of Commodity Cost Component: Calculating commodity costs by season - The commodity gas cost revenue requirement component of each season's GSR shall be the sum of all gas cost purchased for sales customers other than demand costs or LUFG costs, such as variable transportation costs, gas supply commodity costs, and the transaction costs associated with the use of futures contracts and options and other prudently incurred costs associated with various financial instruments purchased by Arkla to stabilize gas supply rates. The commodity gas costs shall include the commodity cost of storage withdrawals and injections. Arkla will utilize any technique or method it deems reasonable for purposes of estimating the commodity cost component of each seasonal filing. Seasonal Commodity Cost Allocation - the seasonal commodity costs assigned to RS-1 and non-TSO SCS and LCS customers will be determined by multiplying the Seasonal Commodity Cost by the ratio of estimated sales volumes for the respective classes in that season. For purposes of Commodity allocation and the establishment of Commodity rates, the SCS-1 class will be combined and considered as one class. 1.4.3. LUFG Allocation: For purposes of LUFG allocation, and the establishment of LUFG rates, the SCS-1 class will be combined and considered as one class. LUFG will be allocated to the respective rate classes based on the factors established below for each of the components of LUFG: Shrinkage - for each rate class (including regular sales and TSO customers) shall be determined based on cost causation. Company Used Gas - shall be determined by the direct measurement of the gas consumed by Arkla facilities, and allocated to each rate class (including regular sales and TSO customers) based on the ratio of the number of customers in each class and the total for such classes. Remaining LUFG (RLUFG) - shall be defined as the difference between (a) total LUFG; and (b) the sum of Shrinkage and Company Used Gas established above. It shall be allocated to the respective customer classes as follows: 55% based on the volumes for the most recent twelve-month-ending August period of the rate classes (including regular sales and TSO customers). 35% based on the demand components for the rate classes (including regular sales and TSO customers). 10% based on the annualized number of customers of the rate

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classes (including regular sales and TSO customers) as of the most recent twelve-month-ending August period.

1.5. RATE CALCULATION RS-1 Customers - The GSR for Residential customers will be a per Ccf rate that is determined by summing the allocated costs in Parts 1.4.2. and 1.4.3. above and dividing that total by the projected seasonal volumes for the residential class and adding that result to the per Ccf rate determined by dividing the allocated annual costs in Part 1.4.1. by the estimated annual sales volumes.

SCS and LCS Customers - The commodity portion of the rate for non-TSO customers will be determined by respectively summing the allocated costs in Parts 1.4.2. and 1.4.3. above and dividing that total by the projected seasonal volumes for the respective classes. SCS-1 customers will be combined and considered as one class for purposes of determining the commodity portion of the rate. While the calculation will be made in Ccf, it will be appropriately translated to MMBtu as needed. The demand portion of the rate for LCS non-TSO customers will be charged to the customers based on their assigned CD's in MMBtu. The rate will be determined by dividing the respective classes allocated costs in Part 1.4.1. above by their respective annualized CD's. Since the demand charges are part of an overall non-specific set of upstream contracts, the support for their allocations will be provided in the schedules supporting the filing.

1.6. SPECIAL PROVISION REGARDING TSO CUSTOMERS LUFG costs - Customers under the TSO option may provide LUFG-in-Kind gas volumes. The LUFG-in-Kind (volumetric delivery requirement) for each customer's account will be determined based on the most recent twelve-month ended August period and expressed as a percentage of the gas delivered for the customer's account at the customer's point of consumption. The percentage will be determined by dividing the allocated volumes of total LUFG in the respective class (SCS or LCS) by the total estimated sales volumes in their respective class.

Assignment of Surcharges to TSO Customers - In the event an LCS-1 or SCS-1 customer changes its supply service election at the end of the contract term from the system supply option (SSO), the amount of the deferred gas cost account attributable to that customer shall be charged or distributed to that customer, whichever is applicable. The charging to or distribution of the deferred gas cost account attributable to that customer shall be removed or added to the deferred gas cost account of the applicable rate schedule.

1.7 DEFERRED PURCHASED GAS COST ACCOUNTS Arkla shall establish and maintain a Deferred Gas Cost Account(s) in which shall be recorded any over or under recovery resulting from the operation of the GSR procedure. Such over or under recovery by class shall be determined monthly by comparison of the actual Cost of Gas Sold as defined above for each cost month to the gas cost revenue recovery for the same revenue month as the cost month. The accumulated balance of over or under recovered gas costs, plus the carrying charge described below, shall be used to determine the surcharge. The surcharge shall be computed annually by dividing each class' cumulative balance over recoveries or under recoveries as of the end of each August by the respective class' estimated volumes of sales for the projected twelve-month period. The surcharge shall be filed annually and will be included with the Scheduled Winter Season GSR Filing and shall be rounded to the nearest \$0.0001 per Ccf. The surcharge shall remain in effect until the earlier of: (1) superseded by a subsequent surcharge calculated according to this provision or, (2) the beginning of the second revenue month following the month in which the full recovery or refund is accomplished if such full recovery or refund is accomplished prior to the end of the established recovery period. A carrying charge shall be included in the monthly under or over recovery balance resulting from the monthly comparison of the actual Cost of Gas Sold to the revenue recovery resulting from the application of

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the prescribed GSR, and a carrying charge shall be included in the monthly under or over recovery balance applicable to the surcharge. The monthly carrying charge shall be determined by multiplying the average of the beginning and ending month balance of under or over recovery for the cost month times the rate of interest applicable to customer deposits. 1.8. DEMAND ALLOCATION It is recognized that over time as customer classifications change or demand levels change, the accuracy of the originally approved demand factors may deteriorate. Arkla can request a change in the allocation procedures with a minimum three month lead time prior to the filing date for the seasonal filings. Changes under this provision are limited to changes required to restore the accuracy of the originally approved demand factors and shall be not be used by either Arkla or Staff to implement changes in allocation methodologies that would normally require a general rate application.

1.9. REFUND PROVISION If an increase in the cost of gas paid or payable to Arkla shall be reduced by the final order of a duly constituted regulatory body or the final decree of a court, if appealed thereto, and such increase shall have been reflected in Arkla's rate to the extent and in the manner specified in this GSR, Arkla shall report to the Commission the receipt of any refunds resulting from such final order or decree. Thereupon, Arkla shall submit for the Commission's approval a plan to make equitable disposition of such refund monies to the extent such monies represent increased charges paid by its customers as result of this GSR; provided, however, that if the amount to be refunded to customers hereunder with respect to a particular refund received does not amount to more than one-tenth cent per Ccf, then Arkla will apply that refund as a credit in its cost of gas computations hereunder for the month in which it receives the refund from its supplier. Nothing in this clause shall be construed to require refunds or a reduction of Arkla's rate as a result of such an order reducing the cost of gas where the original increase in the cost of gas has not been reflected in Arkla's billings for its sales to customers under this rate schedule. 1.10. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Large Commercial Firm Service (LCS-1)

PSIF-5

PIPELINE SAFETY INSPECTION FEE

Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211.

The 2014 Pipeline Safety Fee is a one-time customer charge per bill of \$1.04, based on \$1.00 per service line. Collected from April 1, 2014 to April 30, 2014.

SCS-1

2. SMALL COMMERCIAL FIRM SALES SERVICE (SCS-1)

2.1.

AVAILABILITY 2.1.1.

This rate schedule is available at points of adequate capacity and suitable pressure on the Company's existing facilities. This rate schedule is available to any consumer engaging in business, professional, institutional or other non-residential activity supplied at an individually metered point of delivery for all uses of gas. Natural gas supplied hereunder is for the individual use of the customer at the point of delivery and shall not be resold or shared with others. Standby service is not available under this rate schedule.

2.1.2. Gas consumption under this rate schedule is limited to 365,000 Ccf in any 12 consecutive month period. If at any time, it is anticipated, based on Company's

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estimate, that the customer will consume in excess of 365,000 Ccf per year in the succeeding 12 consecutive month period, the customer shall become subject to the applicable large commercial firm service rate schedule.

2.1.3. Company has historically allowed the volume usage of meters at business facilities under common ownership and subject to this rate schedule to be aggregated for the sole purpose of establishing eligibility for transportation as referenced in Part 3.1.3. of Rate Schedule LCS-1. Customers historically qualifying for transportation under this aggregation provision shall remain subject to the rates and charges under this rate schedule in addition to any additional specific rates, charges, or adjustment riders peculiar to the Transportation Supply Option set out in Rate Schedule LCS-1, such as, but not limited to, administrative fees. Customers aggregating volume shall be subject to all provisions and policies governing TSO option customers as specified in LCS-1, except as provided for herein. The TSO eligible customers qualifying under such aggregation provision prior to September 21, 2002, will remain unchanged with respect to existing and new locations. Future aggregation for the purpose of qualification, except as otherwise referenced herein, is prohibited. Each individual account of historically qualified customers shall be treated as a separate account and shall be subject to the same rates and charges under the originating rate schedule, and are additionally subject to any specific rates, charges or riders specific to the TSO. For the purpose of establishing eligibility for the Transportation Supply Option (TSO) defined in the LSC rate schedule, customers experiencing or anticipating an average daily demand of 75 MMBtu per day during the preceding or succeeding twelve months will be eligible for the TSO. The TSO eligibility threshold will be lowered to an average daily demand of 50 MMBtu on April 30, 2003 and 25 MMBtu on April 30, 2004. Customers qualifying for transportation that do not demonstrate average daily demand of 100 MMBtu or greater shall be subject to rates and charges under the SCS rate schedule, and are additionally subject to any additional specific rates, charges or riders specific to the TSO. 2.1.4. Seasonal Transportation. Customer facilities experiencing more than 80% of annual load during the months April through October, and who experience or anticipate an average daily demand of more than 75 MMBtu per day during any consecutive 30-day period of the preceding or succeeding April through October, are eligible to transport on a seasonal basis. Customers meeting the aforementioned criteria, may elect the TSO option and choose a subsequent return to the SSO option only once during the calendar year. Customers electing the TSO option on a seasonal basis, pursuant to notice given prior to May 31st or thirty days prior to commencement of service, whichever is earlier, may receive transportation service for a continuous period of at least 30 days between April 1 and October 31. Customers electing the TSO option on a seasonal basis are subject to the TSO contract administration fee. Additionally, each participating location shall pay a \$300 set-up fee upon initial election and upon any subsequent return to transportation service.

2.2. CAPACITY DEMAND

2.2.1. Capacity Demand shall be the billing determinant for Fixed Storage Charges, Fixed Gas Supply Charges, and Fixed Transportation Charges (GSR Demand) under the Gas Supply Rate Rider. The Company's determination of CD shall be based on the higher of:

- (a) The Company's estimate of customer's winter peak requirement.

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(b) The Company's estimate of customer's average daily requirement. The CD may be adjusted based upon a material and documentable change in customer's winter peak requirement or customer's average annual daily requirement.

## 2.3. RATES 2.3.1.

Each customer receiving service under this rate schedule shall be charged the sum of (a), (b), and (c) as follows:

(a) Monthly Customer Charge - \$13.00. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service.

(b) Distribution Rate: First 1,500 Ccf at \$0.12250 1,500 - 15,000 Ccf at \$0.08552 Over 15,000 Ccf at \$0.02000

(c) Gas Supply Rate - The Gas Supply Rate will be calculated and adjusted periodically as defined in the Company's Gas Supply Rate Rider.

2.3.2. Rates for customers historically qualifying for service under the Part 2.1.3. aggregation provision and customers qualifying for transportation under this rate schedule will be subject to thermal adjustment. Delivered volumes will be adjusted by the appropriate thermal content factor.

## 2.4. MINIMUM CHARGE

2.4.1. Monthly Customer Charge -- \$13.00. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service.

## 2.5. TELEMETERING

2.5.1. In the event customer has in place working telemetering facilities and equipment; and the customer receives system supply service; and Company determines it necessary to keep the telemeter(s) operational, Company will arrange and pay for the associated telecommunications cost while the customer receives sales service under this rate schedule. Customers electing seasonal transportation service pursuant to Part 2.2. shall be responsible for the full installed cost of telemetry equipment of standard make and manufacture to determine hourly and daily flow at customer's point of delivery.

2.5.2. Customer shall be responsible for installing and maintaining telecommunications lines. Should customer fail to maintain or repair telecommunications lines required to communicate with telemetry equipment, Company shall have the right to bill customer all labor and expense required to manually read the meter, at whatever intervals the Company may deem necessary.

## 2.6. RIDERS

2.6.1. In addition to the Gas Supply Rate Rider, the following riders are applicable to service under this rate schedule: Rider Identification on Name Description Customer Bills WNA Weather Normalization Adjustment Weather Normalization Adjustment 2.6.2. Service will be rendered under this rate schedule until service is discontinued to customer, the customer qualifies for service under the large commercial firm service rate schedule, or the schedule is superseded.

## 2.7. RULES AND REGULATIONS GOVERNING UTILITY SERVICE

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WNA 2.7.1. The Commission's Special Rules of Practice and Procedure and Substantive Rules and the Company's Standard Rules and Regulations, as the same may from time to time be changed in accordance with the law, shall be applicable to service under this rate schedule.

TEXARKANA, TEXAS SERVICE AREA  
Original  
Sheet No. 2-2.1/2  
Replacing: Sheet No.  
CenterPoint Energy Arkla, a division of CenterPoint Energy Resources Corp.  
(Name of Company)  
Kind of Service: Natural Gas Class of Service:  
Residential (RS-1) and Small Commercial (SCS-1)  
PART II - Rider Schedule No. 2 Title:

WEATHER NORMALIZATION ADJUSTMENT (WNA)  
Effective: June 12, 2003

2. WEATHER NORMALIZATION ADJUSTMENT (WNA)

2.1. For bills rendered from November 1 through April 30 each year, the applicable margin rates for gas service to customers served under the applicable rate schedules shall be adjusted by a Weather Normalization Adjustment (WNA) to reflect much of the impact of heating degree day variations from normal levels which were used to set rates under the applicable rate schedules.

2.2. In order to calculate the total weather adjustment for the applicable billing cycle, a weather deviation is computed and multiplied by the applicable margin rate. A per Ccf WNA adjustment is calculated by dividing the total weather adjustment by the average Ccf usage per customer for all customers in each billing cycle, using the formula described below. The per Ccf adjustment for each applicable rate schedule is applied to customer's usage for the billing cycle. The WNA shall be separately identified on customer bills.

2.3. CALCULATION OF WEATHER NORMALIZATION ADJUSTMENT

2.3.1. The WNA is calculated as follows:  $WNA_i = R_i(DDF_i (NDD - ADD))$   
AAU<sub>i</sub> Where: i = Any particular rate classification to which the WNA is to be applied. WNA = Weather Normalization Dollar Adjustment per Ccf R = Applicable margin rate: Residential Service (RS-1) \$0.18470 per Ccf Small Commercial Sales (SCS-1) \$0.08552 per Ccf DDF = Degree Day Factor associated with the applicable rate schedule: TEXARKANA, TEXAS SERVICE AREA Original Sheet No. 2-2.2/2 Replacing: Sheet No. CenterPoint Energy Arkla, a division of CenterPoint Energy Resources Corp. (Name of Company) Kind of Service: Natural Gas Class of Service: Residential (RS-1) and Small Commercial (SCS-1) PART II - Rider Schedule No. 2 Title: WEATHER NORMALIZATION ADJUSTMENT (WNA) Effective: June 12, 2003 Residential Service (RS-1) .1611 Small Commercial Sales (SCS-1) .6357 NDD = Normal Degree Days during the billing cycle ADD = Actual Degree Days during the billing cycle AAU = Average Actual Usage per customer for each billing cycle

2.4. DEFINITIONS

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2.4.1. Normal Degree-days: The heating degree-days, which are based on a 30-year average ending December 31, 2001 as are shown on Attachment 1.

2.4.2. Actual Degree Days: The actual heating degree days as published by Weather Services Corporation, or any other nationally recognized third-party weather service.

2.5. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1)

**RATE ADJUSTMENT PROVISIONS**

None



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TARIFF CODE: DS RRC TARIFF NO: 7687

| <b>CUSTOMERS</b>       |                        |                     |                           |                           |
|------------------------|------------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u>   | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 9867                   | N                      | ccf                 | \$.4059                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | ccf                 | \$.4059                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.4059                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.4059                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | ccf                 | \$.4059                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | ccf                 | \$.4059                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.4059                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.4059                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | CD/CCF              | \$2.1082                  | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | CD/CCF              | \$2.1082                  | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | CD/CCF              | \$2.1082                  | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | CD/CCF              | \$2.1082                  | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | ccf                 | \$.4059                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | ccf                 | \$.4059                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.4059                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.4059                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | ccf                 | \$.4059                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |

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**TARIFF CODE: DS RRC TARIFF NO: 7687**

| <b>CUSTOMERS</b>       |                        |                     |                           |                           |
|------------------------|------------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u>   | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 9868                   | N                      | ccf                 | \$.4059                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.4059                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.4059                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | ccf                 | \$.4059                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | ccf                 | \$.4059                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | ccf                 | \$.4059                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.4059                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9868                   | N                      | CD/CCF              | \$2.1082                  | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9868                   | N                      | CD/CCF              | \$2.1082                  | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | CD/CCF              | \$2.1082                  | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9869                   | N                      | CD/CCF              | \$2.1082                  | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | CD/CCF              | \$2.1082                  | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9870                   | N                      | CD/CCF              | \$2.1082                  | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | CD/CCF              | \$2.1082                  | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9867                   | N                      | CD/CCF              | \$2.1082                  | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9867                   | N                      | ccf                 | \$.4059                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | ccf                 | \$.4059                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |

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TARIFF CODE: DS RRC TARIFF NO: 7687

**CUSTOMERS**

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u>   | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|------------------------|---------------------|---------------------------|---------------------------|
| 9869                   | N                      | ccf                 | \$.4059                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | ccf                 | \$.4059                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |

**REASONS FOR FILING**

NEW?: N RRC DOCKET NO: GUD9345 CITY ORDINANCE NO:  
 AMENDMENT( EXPLAIN ) :  
 OTHER( EXPLAIN ) : Add Pipeline Safety Inspection Fee

**SERVICES**

| <u>TYPE OF SERVICE</u>        | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| B                             | Commercial Sales           |
| <u>OTHER TYPE DESCRIPTION</u> |                            |

GAS SERVICES DIVISION

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RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 7688

DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 09/21/2002 ORIGINAL CONTRACT DATE: RECEIVED DATE: 04/23/2014  
 GAS CONSUMED: N AMENDMENT DATE: OPERATOR NO:  
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

| SCHEDULE ID | DESCRIPTION  |
|-------------|--|
| GSR         | <p>1.1. GAS SUPPLY RATE (GSR) APPLICABILITY AND REQUIREMENTS The charges for gas sales service contained in Arkla's total billing to sales customers shall include the cost of gas sold as identified in this Rider. For purposes of this Rider the cost of gas sold shall include the sum of all gas purchased for Arkla's customers, upstream transportation charges, storage charges, the cost of gas withdrawn from storage less the cost of gas injected into storage, any transaction-related fees, gains or losses and other transaction costs associated with the use of various financial instruments used by Arkla to stabilize prices. 1.2. DEFINITIONS 1.2.1. Cost of Gas Sold - For purposes of this clause the cost of gas sold during a month shall be the sum of all gas purchased for the customers, transportation and storage charges, the cost of gas withdrawn from storage less the cost of gas injected into storage, and any transaction-related fees, gains or losses and other transaction costs associated with the use of various financial instruments to stabilize gas prices. 1.2.2. Lost and Unaccounted for Gas (LUFG) - For purposes of this clause LUFG will be the portion of the Cost of Gas Sold that is not delivered to sales or transportation customers. More specifically it will contain Shrinkage, Company Used gas, and Remaining LUFG (RLUFG). Shrinkage is calculated by rate classification at the time of billing and represents a calculation of gas delivered but not measured to customers due to known departures from the Ideal Gas Laws. Company Used Gas is gas measured directly to Arkla facilities, and RLUFG is total LUFG less Shrinkage and Company Used Gas. Arkla shall not be allowed to recover LUFG in excess of 5%, computed on an annual basis. 1.2.3. Fixed Transportation Charges - Charges incurred for transporting gas to Arkla's system that do not vary with the volume of gas being transported, including, for example, pipeline Firm Transportation (FT) and No Notice Transportation (NNT) demand and/or reservation fees. 1.2.4. Fixed Storage Charges - Charges incurred for storing gas that do not vary with the volume of gas injected into or withdrawn from storage, including, for example, Firm Storage Service (FSS) demand and/or reservation fees. 1.2.5. Fixed Gas Supply Charges - Charges incurred for the acquisition of gas supply that do not vary with the volume of gas purchased, including, for example, supply demand and/or reservation fees. 1.3. GSR FILINGS 1.3.1. Scheduled GSR Filings: Arkla shall make two Scheduled GSR Filings each year: a Winter Season GSR and a Summer Season GSR. The Winter Season GSR shall be effective for billings rendered to customers during the months of November through the following March. The Summer Season GSR shall be effective for bills rendered to customers during the months of April through the following October. The Winter Season GSR filing shall contain rates reflecting: (1) the then current estimate of gas cost revenue requirement for the period between the effective date of filing and the next Summer Season GSR; and, (2) all of the annual actual cost (true-up or secondary adjustment factor) adjustments and any refund factor adjustments relating to or arising during the immediately preceding 12 months ending August each year. The Summer Season GSR filing shall contain rates reflecting: (1) the then current estimate of gas cost revenue requirements for the period between the effective date of the Summer Season GSR and the effective date of its next Winter Season GSR; and, (2) maintaining all of the actual cost of gas adjustment (annual true-up or secondary adjustment) and</p> |

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any refund adjustments. 1.3.2. **Unscheduled GSR Filings:** Should a projected under or over recovery balance arise during any seasonal PGA period which exceeds ten percent (10%) of the projected annual gas cost per the most recent scheduled PGA filing, then the Company may propose an **Unscheduled PGA filing**. If an **Unscheduled PGA Filing** is made, that filing: (1) must contain rates reflecting the then current estimate of the gas cost revenue requirement for the period from the effective date of such filing to the next scheduled filing, and (2) must maintain all of the actual cost of gas adjustment (annual true-up or secondary adjustment factors) and any refund adjustment factors. The **Unscheduled PGA Factor** shall remain in effect only until the next scheduled PGA Filing. 1.3.3. **Scheduled and any Unscheduled GSR filings** shall be filed with the Commission by the last business day of the month immediately preceding the month the proposed new GSR factor will be implemented. 1.4. **ALLOCATION OF COSTS** 1.4.1. **Calculation of Demand Cost Component:** Calculating demand costs - The demand gas cost revenue requirement component shall be the annual total of the gas costs that do not vary with the actual consumption, such as fixed transportation and storage costs, fixed gas supply charges, and fixed financial charges associated with financial instruments purchased to stabilize prices. **Calculating demand cost allocation-** The demand cost component of each season's filing shall be calculated by multiplying the total annual projected demand costs by the appropriate allocation factors for those demand costs for the respective RS-1, and the non- TSO SCS, and LCS customers. 1.4.2. **Calculation of Commodity Cost Component:** Calculating commodity costs by season - The commodity gas cost revenue requirement component of each season's GSR shall be the sum of all gas cost purchased for sales customers other than demand costs or LUFG costs, such as variable transportation costs, gas supply commodity costs, and the transaction costs associated with the use of futures contracts and options and other prudently incurred costs associated with various financial instruments purchased by Arkla to stabilize gas supply rates. The commodity gas costs shall include the commodity cost of storage withdrawals and injections. Arkla will utilize any technique or method it deems reasonable for purposes of estimating the commodity cost component of each seasonal filing. **Seasonal Commodity Cost Allocation -** the seasonal commodity costs assigned to RS-1 and non-TSO SCS and LCS customers will be determined by multiplying the Seasonal Commodity Cost by the ratio of estimated sales volumes for the respective classes in that season. For purposes of Commodity allocation and the establishment of Commodity rates, the SCS-1 class will be combined and considered as one class. 1.4.3. **LUFG Allocation:** For purposes of LUFG allocation, and the establishment of LUFG rates, the SCS-1 class will be combined and considered as one class. LUFG will be allocated to the respective rate classes based on the factors established below for each of the components of LUFG: **Shrinkage -** for each rate class (including regular sales and TSO customers) shall be determined based on cost causation. **Company Used Gas -** shall be determined by the direct measurement of the gas consumed by Arkla facilities, and allocated to each rate class (including regular sales and TSO customers) based on the ratio of the number of customers in each class and the total for such classes. **Remaining LUFG (RLUFG) -** shall be defined as the difference between (a) total LUFG; and (b) the sum of Shrinkage and Company Used Gas established above. It shall be allocated to the respective customer classes as follows: 55% based on the volumes for the most recent twelve-month-ending August period of the rate classes (including regular sales and TSO customers). 35% based on the demand components for the rate classes (including regular sales and TSO customers). 10% based on the annualized number of customers of the rate

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classes (including regular sales and TSO customers) as of the most recent twelve-month-ending August period.

1.5. RATE CALCULATION RS-1 Customers - The GSR for Residential customers will be a per Ccf rate that is determined by summing the allocated costs in Parts 1.4.2. and 1.4.3. above and dividing that total by the projected seasonal volumes for the residential class and adding that result to the per Ccf rate determined by dividing the allocated annual costs in Part 1.4.1. by the estimated annual sales volumes.

SCS and LCS Customers - The commodity portion of the rate for non-TSO customers will be determined by respectively summing the allocated costs in Parts 1.4.2. and 1.4.3. above and dividing that total by the projected seasonal volumes for the respective classes. SCS-1 customers will be combined and considered as one class for purposes of determining the commodity portion of the rate. While the calculation will be made in Ccf, it will be appropriately translated to MMBtu as needed. The demand portion of the rate for LCS non-TSO customers will be charged to the customers based on their assigned CD's in MMBtu. The rate will be determined by dividing the respective classes allocated costs in Part 1.4.1. above by their respective annualized CD's. Since the demand charges are part of an overall non-specific set of upstream contracts, the support for their allocations will be provided in the schedules supporting the filing.

1.6. SPECIAL PROVISION REGARDING TSO CUSTOMERS LUFG costs - Customers under the TSO option may provide LUFG-in-Kind gas volumes. The LUFG-in-Kind (volumetric delivery requirement) for each customer's account will be determined based on the most recent twelve-month ended August period and expressed as a percentage of the gas delivered for the customer's account at the customer's point of consumption. The percentage will be determined by dividing the allocated volumes of total LUFG in the respective class (SCS or LCS) by the total estimated sales volumes in their respective class.

Assignment of Surcharges to TSO Customers - In the event an LCS-1 or SCS-1 customer changes its supply service election at the end of the contract term from the system supply option (SSO), the amount of the deferred gas cost account attributable to that customer shall be charged or distributed to that customer, whichever is applicable. The charging to or distribution of the deferred gas cost account attributable to that customer shall be removed or added to the deferred gas cost account of the applicable rate schedule.

1.7 DEFERRED PURCHASED GAS COST ACCOUNTS Arkla shall establish and maintain a Deferred Gas Cost Account(s) in which shall be recorded any over or under recovery resulting from the operation of the GSR procedure. Such over or under recovery by class shall be determined monthly by comparison of the actual Cost of Gas Sold as defined above for each cost month to the gas cost revenue recovery for the same revenue month as the cost month. The accumulated balance of over or under recovered gas costs, plus the carrying charge described below, shall be used to determine the surcharge. The surcharge shall be computed annually by dividing each class' cumulative balance over recoveries or under recoveries as of the end of each August by the respective class' estimated volumes of sales for the projected twelve-month period. The surcharge shall be filed annually and will be included with the Scheduled Winter Season GSR Filing and shall be rounded to the nearest \$0.0001 per Ccf. The surcharge shall remain in effect until the earlier of: (1) superseded by a subsequent surcharge calculated according to this provision or, (2) the beginning of the second revenue month following the month in which the full recovery or refund is accomplished if such full recovery or refund is accomplished prior to the end of the established recovery period. A carrying charge shall be included in the monthly under or over recovery balance resulting from the monthly comparison of the actual Cost of Gas Sold to the revenue recovery resulting from the application of

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the prescribed GSR, and a carrying charge shall be included in the monthly under or over recovery balance applicable to the surcharge. The monthly carrying charge shall be determined by multiplying the average of the beginning and ending month balance of under or over recovery for the cost month times the rate of interest applicable to customer deposits. 1.8. DEMAND ALLOCATION It is recognized that over time as customer classifications change or demand levels change, the accuracy of the originally approved demand factors may deteriorate. Arkla can request a change in the allocation procedures with a minimum three month lead time prior to the filing date for the seasonal filings. Changes under this provision are limited to changes required to restore the accuracy of the originally approved demand factors and shall be not be used by either Arkla or Staff to implement changes in allocation methodologies that would normally require a general rate application.

1.9. REFUND PROVISION If an increase in the cost of gas paid or payable to Arkla shall be reduced by the final order of a duly constituted regulatory body or the final decree of a court, if appealed thereto, and such increase shall have been reflected in Arkla's rate to the extent and in the manner specified in this GSR, Arkla shall report to the Commission the receipt of any refunds resulting from such final order or decree. Thereupon, Arkla shall submit for the Commission's approval a plan to make equitable disposition of such refund monies to the extent such monies represent increased charges paid by its customers as result of this GSR; provided, however, that if the amount to be refunded to customers hereunder with respect to a particular refund received does not amount to more than one-tenth cent per Ccf, then Arkla will apply that refund as a credit in its cost of gas computations hereunder for the month in which it receives the refund from its supplier. Nothing in this clause shall be construed to require refunds or a reduction of Arkla's rate as a result of such an order reducing the cost of gas where the original increase in the cost of gas has not been reflected in Arkla's billings for its sales to customers under this rate schedule. 1.10. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Large Commercial Firm Service (LCS-1)

LCS-1A

3. LARGE COMMERCIAL FIRM SERVICE (LCS-1)

3.1. AVAILABILITY

3.1.1. This rate schedule is available at points of adequate capacity and suitable pressure on the Company's existing facilities. This rate schedule is available to any customer at a particular facility owned or operated by customer who enters into a large volume commercial service agreement (Agreement) with Company, on terms and conditions acceptable to the Company, for delivery of gas at the facility, provided such facility has experienced, or anticipates, an average daily demand of more than 100 MMBtu per day during the preceding or succeeding twelve (12) months, respectively. For the purpose of establishing eligibility for the Transportation Supply Option (TSO) defined in this rate schedule, customers experiencing or anticipating an average daily demand of 75 MMBtu per day during the preceding or succeeding twelve months will be eligible for the TSO. The TSO eligibility threshold will be lowered to an average daily demand of 50 MMBtu on April 30, 2003 and 25 MMBtu on April 30, 2004. Customers experiencing average daily demand of less than 100 MMBtu, remain under their originating commercial rate schedules, and are additionally subject to any specific rates, charges or riders specific to the TSO.

3.1.2. Company has historically allowed the volume usage of meters at facilities under common ownership and subject to other commercial rate schedules to be

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aggregated for the sole purpose of establishing eligibility for transportation. The TSO eligible customers qualifying under such aggregation provision prior to September 21, 2002, will remain unchanged with respect to existing and new locations. Future aggregation for the purpose of qualification, except as otherwise referenced herein, is prohibited. Each individual account of historically qualified customers shall be treated as a separate account and shall be subject to the same rates and charges under the originating rate schedule, and are additionally subject to any specific rates, charges or riders specific to the TSO.

3.1.3. Customers under this rate schedule may choose between two sources of supply, as follows: (A) System Supply Option (SSO) - under which customer will be delivered natural gas supply designated as general system supply of Company. (B) Transportation Supply Option (TSO) - under which customer will be delivered natural gas supply received for customer's account at points of receipt on Company's distribution facilities.

3.1.4. The customer's election between the two supply options under this rate schedule shall be set forth in the requisite Agreement which will specify the term (duration) of this customer election. Under no circumstances shall the Company be obligated to (a) deliver natural gas volumes to a customer under this rate schedule from a supply source other than the one reflected in customer's election embodied in the Agreement or (b) enter into an agreement with a term of less than one year. LCS customers failing to execute the requisite agreement setting forth the supply option election, shall default to the System Supply Option, and shall remain until such time that an agreement setting forth the alternative supply option is executed.

3.1.5. If customer has human needs requirements, or other requirements necessary for the preservation of life, health or physical property, the Company will require customer to certify, document, and update in writing annually prior to October 1, any material change to the level of said requirements to Company.

3.1.6. Additionally, if customer has human needs requirements under the TSO, the Company will require customer to certify and document to Company that it: (A) has made firm pipeline capacity and gas supply arrangements sufficient to ensure non-interruptible deliveries to satisfy its level of human needs requirements. This certification will consist of an affidavit from the appropriate executive officer. This documentation will include written acknowledgement from the upstream pipeline that firm, primary delivery point capacity is under contract for the appropriate location that will service customer, and that such capacity is under contract for the entire November through March time period; or, (B) has one or more alternative energy back-up systems in place to provide for continuous energy to satisfy the total human needs requirements that otherwise would be met by natural gas. In such instance, there will be no requirement to meet this firm pipeline capacity and gas supply provision, provided that customer provides an affidavit from the appropriate executive officer.

3.1.7. Customers converting from sales service to transportation service shall bear the supply-related cost shifts or additional costs resulting from that conversion, including existing pipeline commitments, existing gas supply costs, and additional



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administrative costs. The Company shall maintain adequate records to demonstrate such costs and to substantiate that this result has been achieved, and shall make such information available to the converting customer upon request.

3.1.8. Seasonal Transportation. Customer facilities experiencing more than 80% of annual load during the months April through October, and who experience or anticipate an average daily demand of more than 75 MMBtu per day during any consecutive 30-day period of the preceding or succeeding April through October, are eligible to transport on a seasonal basis. Customers meeting the aforementioned criteria, may elect the TSO option and choose a subsequent return to the SSO option only once during the calendar year. Customers electing the TSO option on a seasonal basis, pursuant to notice given prior to May 31st or thirty days prior to commencement of service, whichever is earlier, may receive transportation service for a continuous period of at least 30 days between April 1 and October 31. Customers electing the TSO option on a seasonal basis are subject to the TSO contract administration fee. Additionally, each participating location shall pay a \$300 set-up fee upon initial election and upon any subsequent return to transportation service.

3.2. MAXIMUM QUANTITIES

3.2.1. Company and customer shall agree upon a Maximum Daily Winter Quantity (MDWQ) applicable to the period from November through March each year and a Maximum Daily Summer Quantity (MDSQ) applicable to the period from April through October each year, both of which will be reflected in the Agreement, and shall establish the maximum MMBtu that the Company will be obligated to deliver on a firm basis on any given day to customer's point of delivery until such maximum quantity is revised pursuant to Part 3.2.4.

3.2.2. Company and customer shall agree upon an Annual Volume Limitation (AVL), which will be reflected in the Agreement, and shall establish the maximum MMBtu which the Company shall be obligated to deliver on a firm basis during the contract year, consisting of twelve consecutive billing periods specified in the Agreement.

3.2.3. Under no circumstances is Company required to agree to an MDWQ, MDSQ, AVL, or other quantity-related obligation under this rate schedule that it finds inconsistent with actual expected operating outcomes or load requirements based on observed historical operating data, the level and nature of currently installed natural gas facilities, equipment and appliances, or other relevant, reasonable and appropriate information or data.

3.2.4. Unless agreed otherwise, should customer deliveries exceed the MDWQ during the period from November through March, then delivery demand set on that day shall reestablish the MDWQ. Should customer deliveries exceed the MDSQ during the period April through October, then delivery demand set on that day shall reestablish the MDSQ. Should annual deliveries exceed previously established levels, for any prior 12-month period, then the AVL will be reestablished for the annual period. The new MDWQ, MDSQ or AVL, respectively, become effective on the first day of the month after which the excess occurred, and continue for the remaining term of the contract or until such time that a replacement MDWQ, MDSQ or AVL is established via the provision cited herein.

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## 3.3. CAPACITY DEMAND

3.3.1. Each individually metered point of delivery under this rate schedule shall have a capacity demand (CD), equal to the higher of : (A) The MDWQ specified in customer's Agreement with Company, subject to the maximum quantities provision herein, or as reestablished pursuant to the provisions of Part 3.2.4. (B) The AVL specified in customer's Agreement with Company, subject to the maximum quantities provision herein divided by 365, or as reestablished pursuant to the provisions of Part 3.2.4.

3.3.2. This CD shall be the billing determinant for both distribution demand charges and Fixed Storage Charges, Fixed Gas Supply Charges and Fixed Transportation Charges (GSR Demand) under the Gas Supply Rate Rider. The CD initially established shall remain in place until such time as maximum quantities are revised pursuant to the provisions of Part 3.2.4. During the course of the contract term, the CD established as billing determinant shall be the higher of the CD initially established under the contract or any CD reestablished during the previous 12-month period. Unless agreed upon otherwise, if during the course of a multi-year contract, the revised CD established pursuant to Part 3.2.4., or any revised daily demand number higher than the initial CD established in the contract does not re-occur during any prior 12-month period, then effective the first day of the following month the initial CD established in the contract becomes the replacement CD. On the first of any month during a contract term, the CD shall be equal to the higher of the CD cited in the initial contract or any maximum quantity or delivery demand observed during the immediately preceding twelve month period.

## 3.4. RATES

3.4.1. Each customer receiving service under this rate schedule, other than small commercial firm sales service customers historically qualified under the Part 3.1.2. aggregation provision, shall be charged the sum of (a), (b), (c) and (d) as follows:

(a) Distribution Customer Charge - \$290.00 per month. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service.

(b) Distribution Demand Charge per MMBtu of CD per month:

- (i) \$5.5790 per MMBtu of CD up to 400 MMBtu of CD plus, if applicable
- (ii) \$0.4000 per MMBtu of CD over 400 MMBtu of CD.

(c) Distribution Rate - All MMBtu consumed at \$0.0196 per MMBtu.

(d) Gas Supply Rate Rider :

(i) SSO - The Gas Supply Rate will be calculated and adjusted periodically as defined in the Company's Gas Supply Rate Rider.

(ii) TSO - The customer will be required to provide the appropriate LUGF-in-Kind as described in the Company's Gas Supply Rate Rider. Volumes provided as LUGF-in-Kind will not be considered in the calculation of Capacity Demand and shall not be subject to Distribution Charges.

3.4.2. Monthly charges applicable to customers under the TSO described in Part

3.1.3. of this rate schedule, including small commercial firm sales service

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customers historically qualifying under the Part 3.1.2. aggregation provision of this rate schedule or qualifying for transportation under the SCS rate schedule, are as follows:

(a) Contract Administration Fees: TSO - \$350.00 per month.

3.5. MINIMUM CHARGE The sum of (a), (b), and (c) if applicable:

(a) Distribution Customer Charge - \$290.00 per month. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service.

(b) Distribution Demand Charge - per MMBtu of CD per month:

(i) \$5.5790 per MMBtu of CD up to 400 MMBtu of CD plus, if applicable

(ii) \$0.4000 per MMBtu of CD over 400 MMBtu of CD

(c) Contract Administration Fee - TSO - \$350.00 per month.

3.6. TELEMETERING EQUIPMENT

3.6.1. Telemetering is required under the TSO described in Part 3.1.3. of this rate schedule, including customers qualifying under Part 3.1.2. of the aggregation provision of this rate schedule. If Company does not have telemetry at customer's point of delivery, upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at customer's point of delivery. Customer will reimburse Company for the full, installed cost of such telemetry.

3.6.2. Customer shall be responsible for installing and maintaining telecommunications lines. Should customer fail to maintain or repair telecommunications lines required to communicate with telemetry equipment, Company shall have the right to bill customer all labor and expense required to manually read the meter, at whatever intervals the Company may deem necessary.

3.7. RIDERS

3.7.1 The Gas Supply Rate Rider is applicable to service under this rate schedule.

3.7.2. Service will be rendered under this rate schedule until service is discontinued to customer, the customer qualifies for service under the small commercial firm sales service rate schedule, or the schedule is superseded.

3.8. RULES AND REGULATIONS GOVERNING UTILITY SERVICE

3.8.1. The Commission's Special Rules of Practice and Procedure and Substantive Rules and the Company's Standard Rules and Regulations, as the same may from time to time be changed in accordance with the law, shall be applicable to service under this rate schedule.

3.9. BILLING AND PAYMENT

3.9.1. Customer's bills will be based on the quantity of MMBtu's delivered to customer at the delivery point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within fourteen (14) days after the date the bill is mailed. Company shall have the right to bill customer each month

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hereunder on the basis of nominated quantities or estimated quantities, provided that adjustments shall be made to such quantities in subsequent months' billings based on actual quantities delivered. The Company shall not discontinue service to customer for violation of its rates and policies nor for non-payment of bills, without first having diligently tried to induce the customer to comply with its rates and policies, or to pay amounts due the Company. Company may suspend service to customer after written notice shall have been given to the customer by the Company in the manner provided for in the Commission's Rules. Company may require as a condition of recommencement or continuation of service the maximum refundable deposit or bond allowed by the Commission to secure payment of bills. Interest at such rates as are required by the Commission shall be paid on any such deposit amount.

## 3.10. DEFINITIONS

3.10.1. The following terms when used herein shall be construed to have the following meaning, except where the context of their use clearly indicates another meaning:

3.10.2. The term Large Volume Commercial Customer Agreement (Agreement) shall mean a written and fully executed agreement between Company and customer which provides for service under the applicable supply option of this rate schedule.

3.10.3. The term customer shall mean the party so identified in the Agreement, or its designee.

3.10.4. The term day or daily shall mean a period of twenty-four (24) consecutive hours, beginning and ending as near as practicable to 9:00 a.m., Central Standard Time, at the point at which delivery of gas is made.

3.10.5. The term month, Service Month, or monthly shall mean the period beginning at or as near as practicable to 9:00 a.m., Central Standard Time, on the first day of the calendar month and ending as near as practicable to 9:00 a.m. on the first day of the next succeeding calendar month.

3.10.6. The term year or service year shall mean a period of three hundred sixty-five (365) consecutive days beginning on the date specified in the Agreement for the commencement of the term of service or any anniversary thereof; provided, however, that any year which contains a date of February 29, shall consist of three hundred sixty-six (366) consecutive days.

3.10.7. The term cubic foot shall mean the volume of gas which occupies one (1) cubic foot when said gas is at a temperature of sixty degrees (60 degrees) Fahrenheit, and at a pressure of 14.73 pounds per square inch absolute.

3.10.8. The term Mcf shall mean one thousand (1,000) cubic feet of gas.

3.10.9. The term Btu shall mean British Thermal Unit. 3.10.10. The term MMBtu shall mean one million (1,000,000) Btu's.

3.10.11. The term gas supply as it relates to purchased gas costs shall mean the charge for the product known as natural gas, and does not include any charges

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associated with delivery of the product by Company or any supplier pipeline of the Company.

3.10.12. The term balancing shall mean the service provided by Company when quantities of gas received by Company at the Point(s) of Receipt differ at any time from the quantities of gas delivered by Company at the Point(s) of Delivery under the Agreement.

3.10.13. The term Maximum Daily Quantity or MDQ shall mean the total maximum MMBtu which Company shall be obligated to receive or deliver on a firm basis on any given day on behalf of customer. The contractual Maximum Daily Winter Quantity (MDWQ) shall be controlling during the period from November through March each year and the Maximum Daily Summer Quantity (MDSQ) shall be controlling during the period from April through October each year.

3.10.14. The term Point(s) of Receipt shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of customer.

3.10.15. The term Point(s) of Delivery shall mean the point or points specified in the Agreement where Company agrees to deliver gas transported for the account of customer.

3.10.16. The term imbalance shall mean the difference in the MMBtu's of natural gas which customer takes at the Point(s) of Delivery and the MMBtu's which customer provides for transportation at the Point(s) of Receipt.

3.10.17. The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver on a firm basis during the contract year consisting of twelve consecutive billing periods specified in Agreement.

3.10.18. The term Maximum Hourly Quantity or MHQ shall mean the maximum MMBtu Company is obligated to deliver or receive for customer's account in any single hour. Company shall not be obligated to agree to a maximum hourly quantity greater than 1/15 of MDQ, MDWQ or MDSQ.

3.11. GOVERNMENTAL REGULATIONS

3.11.1. Service hereunder shall be subject to all relevant present and future local, state and federal laws and all rules, regulations and orders of regulatory authorities having jurisdiction over any of the parties, as applicable, and the obligations of all parties hereunder are subject to obtaining whatever regulatory approvals and authorizations are necessary for the lawful implementation of the Agreement, on continuing conditions satisfactory to the party affected. Customer shall cooperate with the Company by providing promptly all information and in making whatever reports or filings are necessary in regard to service rendered under this rate schedule. Neither party shall be held in default for failure to perform hereunder if such failure is due to good faith compliance with the requirements of any such laws, orders, rules and regulations. Should any governmental body having jurisdiction impose on the Company or the services provided hereunder or otherwise require service hereunder on terms and conditions that are unacceptable to Company, in its sole discretion, then Company may

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terminate service hereunder at any time thereafter upon notice to customer. Customer shall also reimburse Company, or cause Company to be reimbursed, for any fees, taxes (other than income and property taxes) or other charges levied or paid by Company to any governmental authorities in connection with or attributable to the services provided hereunder.

## 3.12. MEASUREMENT

3.12.1. Except as may be otherwise provided elsewhere herein or required by law, the measurement and testing of gas received and delivered hereunder shall be done by Company, or its designee, as measuring party in accordance with the following:

3.12.2. The gas received by Company hereunder shall be measured as follows:

3.12.2.A. The unit of volume shall be 1,000 cubic feet of gas (Mcf) at a temperature base of 60 degrees Fahrenheit and at a pressure base of 14.73 pounds per square inch absolute. Whenever the actual conditions of pressure and temperature of the particular gas stream being measured differ from the above standard, conversion of the volume from such actual conditions to the above standard conditions shall be made in accordance with the Ideal Gas Laws corrected for super-compressibility in accordance with the method customarily used by the measuring party.

3.12.2.B. Measurements of gas shall always be in accordance with requirements of law, and if the procedures, bases, or standards herein contemplated to be used in the determination of gas volumes are changed by law or regulatory action, the applicable rates shall be appropriately modified and adjusted to the extent necessary to the end that calculations to determine sums of money due hereunder after the change will reach the same end result in dollars and cents as would have been reached in the absence of such change.

3.12.2.C. The temperature of the gas at each point of receipt shall be (i) determined by a recording thermometer, (ii) determined by taking the average of the daily readings of an indicating thermometer, or (iii) assumed by mutual agreement to be 60 degrees Fahrenheit, provided that, if a recording thermometer is not being used, customer shall have the right, by reimbursing the cost of the equipment and its installation, to require the use of a recording thermometer. The Btu content of the gas per cubic foot shall be determined on a dry basis in accordance with good engineering practice in a manner reasonably calculated to result in a fair and accurate determination.

3.12.2.D. The specific gravity of the gas shall be determined in accordance with good engineering practice as often as found necessary in operation.

3.12.2.E. Standard type measuring and testing equipment necessary to measure and determine quantities hereunder shall be installed, operated and maintained in a workmanlike manner. Readings, calibrations, tests, repairs and adjustments of said equipment, and changing of charts, shall be done only by employees or agents of measuring party and in accordance with good engineering practice as often as found necessary in operation. Orifice meters, if used, shall be installed and operated, and volumes computed, in accordance with the latest version of the American Gas Association Gas Measurement Committee Report and Appendices thereto, and such amendments thereof as measuring party may place in use on its system for

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transactions of this type. Customer shall have access to the measuring and testing equipment at reasonable times, and shall have the right to have a representative present at tests, calibrations and adjustments thereof. Upon request by customer for a special test of any meter or auxiliary equipment, the accuracy of same shall be verified promptly, provided that the cost of such special test shall be borne by customer unless the percentage of inaccuracy is found to be more than two percent (2%), then previous readings shall be corrected to zero error for the period of time during which the equipment was known to be inaccurate, or if not known then to the shorter of six (6) months or the last date that the meter was tested; if said total inaccuracy is not more than two percent (2%), then previous reading shall be considered correct but the equipment shall be adjusted to read correctly. Measuring party shall not be required to verify the accuracy of such equipment more than once in any 90-day period, unless customer has a specific and verifiable reason to believe that the equipment is inaccurate by more than 2%.

3.12.2.F. If any meter or auxiliary equipment is out of service or out for repair for a period of time so that the quantity of gas delivered cannot be ascertained or computed from the reading thereof, then the quantity delivered during such period shall be estimated upon the basis of the best data available, using the first of the following methods which is feasible: (i) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculations; (ii) by using the registration of any check equipment installed and accurately registering, or (iii) by estimating the volume on the basis of deliveries during preceding periods under similar conditions when the equipment was registering accurately.

3.12.2.G. Upon request, measurement charts and records shall be submitted to customer for examination, the same to be returned within twenty (20) days. The measurement charts and records for a given accounting month shall be conclusively presumed correct if no written objection thereto is served on Company within the 12-month period following the given accounting month. All test data, meter charts and similar records shall be preserved for a period of at least one (1) year.

3.12.2.H. The formal measurement and testing of gas hereunder shall only be by the equipment operated by measuring party, but customer may install, operate and maintain, at customer's own cost, risk and expense and in the same manner as is required for the primary equipment hereunder, check measuring and testing equipment of standard type, provided that the same does not interfere with the operation of the primary equipment. Company shall have the same rights with respect to check equipment as customer has with respect to the primary equipment.

3.12.2.I. If Company causes any or all of the foregoing measurements and testing procedures to be done by a third-party designee, then in such event:

3.12.2.I(1) Customer's rights hereunder with respect to the third-party's equipment and procedures will be subject to reasonable arrangements by Company with such third party; and

3.12.2.I(2) If the third party's usual and customary procedures differ in particular respects from the detailed procedures set out above, then the third-party's procedures, and measured quantities resulting therefrom shall be acceptable and used hereunder so long as they are consistent with good engineering practice in the industry.

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|                    | <p>3.12.2.J. The gas delivered by Company to customer after transportation shall be measured in the same manner as are volumes sold by Company to customers of similar size as customer under Company's sales rate schedules.</p>  |
|                    | <p>3.13. FORCE MAJEURE</p>   |
|                    | <p>3.13.1. Neither customer nor Company shall be liable to the other for failure to perform their respective obligations under the Agreement (other than to make any and all payments thereunder) due to acts or conditions beyond the reasonable control of the parties affected. The obligations of the affected party to perform shall be suspended so long as and to the extent that performance is prevented by the occurrence of such acts or conditions. Such acts or conditions shall be deemed to include, but not be limited to, fire, labor disputes, acts of God, the elements, wars, epidemics, riots, civil disturbances, explosions, breakdown of equipment, test and repairs of pipeline facilities, freezing of wells or pipelines, requirements of local, state or federal authorities, failure of any intermediate transporters relied upon by Company to transport the gas for any reason, failure of appropriate regulatory approvals or lack of sufficient capacity, the inability of Company to obtain or maintain such regulatory authorizations as may be necessary for the lawful performance of the service contemplated hereby on continuing conditions satisfactory to Company, the curtailment of service by Company in accordance with Company's curtailment plan as effective from time to time, failure of gas supply and any other cause, similar or dissimilar, not within the reasonable control of the party claiming relief. The party affected shall notify the other promptly and shall remedy the cause of suspension with reasonable diligence, retaining to such party unqualified discretion in settling labor disputes.</p>   |
| <p>LCS-1B</p>      | <p>LARGE COMMERCIAL FIRM SERVICE (LCS-1 CONTINUED) 3.14. OPERATING INFORMATION AND FORECASTS 3.14.1. Customer, upon request, shall furnish or cause to be furnished to Company from time to time such reasonable data as in Company's judgment is necessary for the proper analysis of the daily and annual gas load requirements of customer for this service. Customer at all times shall keep Company informed of anticipated significant changes in the size and character of such load requirements. 3.15. USE 3.15.1. All gas delivered to customer under the Agreement shall be for customer's own use and shall not be resold. 3.16. NON-SYSTEM SUPPLY: TERMS AND CONDITIONS 3.16.1. Customer transactions operating under the SSO described in Part 3.1.3. of this rate schedule shall be governed by Company's other generally applicable rates and policies. The operating terms and conditions of service provided hereinafter, in addition to the Company's other generally applicable rates and policies not consistent therewith, shall apply to customer transactions under the TSO of this rate schedule. 3.17. NOTICES 3.17.1. Notices, requests, demands, statements, or bills provided for under this rate schedule and the Agreement (other than those related to nomination, scheduling and other operational issues having immediate operational consequence and requiring shorter notice that either Company or customer may desire to give the other, as provided for under Part 3.32.1.) shall be in writing and if delivered shall be considered as duly delivered when mailed by registered or certified mail to the post office address of Company or customer as indicated in the Agreement, or at such other address as either shall designate by formal written notice to the other. Routine, non-operational communications, including monthly statements and payments if received, shall be considered as duly delivered when mailed by either registered, certified or ordinary mail. 3.18. RECEIPT OF GAS FOR TRANSPORT 3.18.1. The customer must tender the gas for transportation hereunder at a mutually agreeable point or</p> |



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points as specified in the Agreement at whatever pressure is necessary to effect deliveries of the gas against the fluctuating working pressures maintained in Company's system at that point from time to time. Company will not be obligated to accept any gas into such system for transportation that does not meet the quality specifications required to be met by Company's suppliers when delivering gas to Company for sales to Company's customers. 3.18.2. Company will be responsible for installing and operating the necessary tap and measurement facilities at each point of receipt to receive and measure the gas delivered for transportation hereunder. If Company agrees to provide new or additional facilities to perform the services requested by customer, upon Company's request, customer shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 3.19. DELIVERY OF GAS BY COMPANY AFTER TRANSPORTATION 3.19.1. Except as may be otherwise specified elsewhere herein, the gas shall be tendered for delivery after transportation at the working pressures maintained from time to time by the delivering party at the designated point of delivery as specified in the Agreement from time to time. It is recognized that the gas delivered to customer after transportation will not be the same gas that Company received for transportation, but that the gas delivered after transportation will meet the quality specifications applicable to gas that Company sells on its system from its general system supply. Company will use its best efforts consistent with the prudent operation of its system to deliver gas meeting such specifications but shall not be liable in damages for failure to do so. If the gas tendered by Company fails at any time to conform to any of said specifications, then customer shall notify Company of such deficiency and thereupon may, at customer's option, refuse to accept delivery pending correction by Company. 3.19.2. The point where responsibility for the gas shall pass to customer after transportation shall be at the outlet of the delivery facilities at the designated point of delivery. Customer shall provide reasonable access to the premises at the point of delivery for any purpose connected with this service. 3.19.3. Company shall install, operate and maintain whatever facilities are necessary to deliver the gas at the point or points of delivery hereunder and shall indemnify customer and hold it harmless from and against any and all claims, actions, suits, damages, liabilities, penalties, costs and expenses arising out of use, possession or presence of the gas before it passes the point of delivery. If Company agrees to provide new or additional facilities to perform services requested by customer, upon Company's request, customer shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 3.19.4. Customer shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize the gas at and beyond the point of delivery hereunder, and shall indemnify Company and hold it harmless from and against any and all claims, actions, suits, damages, liabilities, penalties, costs and expenses arising out of the use, possession, or presence of the gas at and after it passes the point of delivery. 3.19.5. If the services of one or more other transporters are necessary for Company to provide the service herein contemplated, Company's obligations hereunder shall be subject to the availability of such services by others on continuing terms and conditions acceptable to Company, and in such event, customer agrees that Company may act as agent for customer in arranging for such services, including execution of the necessary agreements therefore and administering same, and arranging and confirming capacity release transactions necessary to facilitate the transaction, provided that, unless otherwise provided elsewhere, any costs and/or charges or penalties

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associated with such services by a third party to the point of delivery hereunder shall be borne by customer. 3.20. SCHEDULING AND NOMINATIONS 3.20.1. Nominations for gas flow shall be submitted by customer to Company no later than 10:00 a.m. Central Standard Time the day prior to gas flow; provided however, if a change in the nomination level is desired on a weekend or Company holiday, then nominations shall be submitted by customer to Company no later than 10:00 a.m. Central Standard Time the last business day immediately prior to such weekend or holiday. Nominations shall be submitted via the Company's internet based nomination system. Company and customer may agree on other means of submitting nominations from time to time. Nomination quantities shall be expressed in MMBtu. Company shall not be required to confirm a nomination that is: (A) inconsistent with the recently observed deliveries or projected deliveries for the Service Month; or (B) higher than the MDWQ or MDSQ in the applicable season; or (C) not confirmed by the upstream pipeline. For these purposes, the projected deliveries for the Service Month shall be equal to the arithmetic average of the number of observed deliveries within the Service Month to date multiplied by the number of days in the Service Month. Once a nomination is made and confirmed by the Company, that nomination will remain in effect through the end of the month or until changed by the customer. Company shall confirm nominated volume to Pipeline. 3.20.2. Company will require customer to comply with the scheduling and nominating procedures as set forth in customer's upstream pipeline supplier's transportation tariffs as on file with and approved by the Federal Energy Regulatory Commission. Customer shall be liable for and shall compensate Company for any costs imposed upon Company as a result of customer's scheduling and nomination deviations or non-compliance. 3.21. BALANCING 3.21.1. General Intent: These balancing provisions are in recognition of the fact that Company's upstream transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 3.21.1.A. SSO transactions are allocated costs associated with the Company's upstream transportation, storage and no-notice service capacity. Therefore, SSO transactions have defined relative rights to those upstream services. 3.21.1.B. TSO transactions are not allocated any costs associated with the Company's upstream transportation, storage and no-notice services or associated capacity. Therefore, TSO transactions carry no explicit or implicit right to make use of the Company's upstream services or associated capacity. 3.21.1.C. Encroachment upon Company's upstream transportation, storage, or no-notice services or associated capacity on interstate pipelines, for natural gas volumes other than those for which Company takes title, are subject to the capacity release regulations established by the FERC and embodied in Part 284 of the Code of Federal Regulations. It is expressly understood that the level of balancing tolerances offered under this tariff is conditioned upon the Company not being required to achieve said tolerances through operation of Part 284 capacity release arrangements nor other certificate authority from the Federal Energy Regulatory Commission. 3.21.2. Customers shall be obligated to: (i) conform their takes each day at delivery points with their deliveries to Company at receipt points on the same day and thereby avoid imbalances; and (ii) to correct any such imbalances as soon as practical. 3.21.3. Company shall not be obligated to receive or deliver more than the maximum hourly quantity. If customer takes gas in excess of the specified MHQ at the point of delivery without the approval of Company, and such excess flow causes harm to the Company, its other customers or its facilities, then customer shall reimburse Company for the actual cost of damages or harm or repairs to its facilities, plus overhead expenses, within 15 days after the date of Company's

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invoice to customer for such damages. 3.21.4. Company shall make available electronically daily imbalance information which shall notify customer of any imbalance under an Agreement in the current Service Month, based on the best information then available to Company, including, but not limited to data such as nominations, allocations, electronic measurement data, and meter observations. The provision of such information shall not relieve customer of its obligations under this tariff to avoid, correct or eliminate actual imbalances. 3.21.5. Company shall monitor the accumulation of daily imbalances by customer and shall have the right to take corrective action pursuant to this tariff, as required, to eliminate customer encroachment upon upstream transportation, storage, or no-notice service capacity held by Company for general system supply. 3.21.5.A. If customers' receipts and deliveries are not in balance during a day, or are projected to be out of balance on a future day, and if Company determines in its reasonable judgment that such imbalances inhibit Company's ability to maintain the operational integrity of the distribution system, or the economic integrity of the Company's system supply acquisition processes, then the Company shall declare a Critical Period Event. The Critical Period Event can be either: (i) an Excess Flow Event (receipts exceed deliveries); or, (ii) a Deficient Flow Event (deliveries exceed receipts). Additionally, the Company's declaration of a Critical Period Event can be location-specific, and the Company is not required to apply the Critical Period Event where corrective action would not be curative of the critical situation. A Critical Period Event may be called for operational purposes relating to a physical event causing or threatening a system failure and/or existence of an Operational Flow Order (OFO) on the upstream pipeline. Company may also declare a Critical Period Event in order to protect the economic integrity of the Company's system supply acquisition processes. A Critical Period Event declared for economic purposes shall be applicable only to customers with an annual average customer delivery of 100 MMBtu or less. Critical Period Events declared for economic purposes may be declared only on days when other Gas Daily price differs by more than \$.50 per MMBtu from the Inside FERC REGT First of the Month Index. The Company shall notify affected customers verbally of the critical situation and customers shall have a minimum of four (4) hours to bring receipts and deliveries into balance, or other longer time periods as deemed applicable by the Company. If, after the specified notice period indicated in Company's notice to customer of critical situation, customer has not balanced receipts and deliveries, Company shall have the right to balance deliveries and receipts. Company shall not be obligated to redeliver a greater volume of gas to the point of delivery than it received at the point of receipt for customer's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the critical situation no longer exists. An imbalance that occurs during such critical situation, after the expiration of the notice period, may not be carried forward for clearing during the month, but instead may, at the Company's option, be cashed out based on the Critical Period Price. (i) The Critical Period Price shall be the applicable regional posting for the upstream pipeline expressed in (\$/MMBtu) for the day of delivery as found in the publication Gas Daily under the heading Daily Price Survey and under the subheading Midpoint. (ii) If, on any day during a critical situation, after the expiration of the notice period, customer delivers to Company volumes of gas that are greater than customer's gas requirements at the point of delivery then Company can purchase such over-delivered volumes at the point of delivery from customer at the following rates per MMBtu. The first 6% of over-delivered volumes will be cashed out at the Critical Period Price. Amounts

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greater than 6% will be cashed out at a rate equal to 50% of the Critical Period Price. (iii) If, on any day during a critical situation, after the expiration of the notice period, customer delivers to Company volumes of gas that are less than customer's gas requirements at the point of delivery, then Company may require customer to purchase such deficiency at the point of delivery from Company at the following rates per MMBtu. The first 6% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 6% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. (iv) Any Critical Period imbalance incurred of 10 MMBtu or less shall not be subject to Critical Period cash-out pricing. Such imbalances will be deferred until the end of the month, and will be cashed out in accordance with the terms of Part 3.21.8. (v) Company shall make a reasonable effort to provide 24 hours' notice of the issuance of a CPE. Upon issuance of notice of a CPE, Company will allow shipper to submit revised nominations to the extent permitted by the upstream pipeline declaring an OFO, in an attempt to minimize imbalance activity on the Company's system. During any CPE, Company shall remain obligated to deliver all natural gas supplies that it receives on behalf of each individual shipper.

3.21.5.B. For any multi-day period measured from the beginning of the first day of the Month where a cumulative imbalance is equal to or greater than 6% of the projected deliveries for the Service Month, Company may at its option, eliminate, through an intra-month cash-out action, all or part of said cumulative imbalance. For these purposes, the projected deliveries for the Service Month shall be equal to the arithmetic average of the number of observed deliveries within the Service Month to date multiplied by the number days in the Service Month. The cash-out price applicable to such intra-month cash-out transactions for cash out quantities that are 3% or less of deliveries shall be equal to 75% of the Critical Period Price for cash-out purchases by Company from customer and 125% of Critical Period Price for cash-out purchases required of customer from Company. The cash-out price applicable to such intra-month cash-out transactions for cash out quantities that are in excess of 3% of deliveries shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from customer and 150% of Critical Period Price for cash-out purchases required of customer from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn customer during the business day prior to the day on which the Company projects customer will be in violation of the 6% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to customer in any Service Month, no additional warnings from Company will be required during that same Service Month, prior to an intra-month cash-out action by Company on customer's then cumulative imbalance.

3.21.6. Company shall not be obligated under any circumstances: (i) to deliver more gas to customer during any given day or month than it shall have received for the account of customer during said period ; or (ii) to receive or deliver during any given Day a total quantity of gas in excess of the MDWQ or MDSQ as applicable.

3.21.7. Customer will be responsible for its allocable share of any incremental costs associated with Company's upstream transportation, storage, or no-notice services attributable to nomination and scheduling activities of customer, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve customer of its obligations under this rate schedule or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors.

3.21.8. At the end of each Service Month, remaining customer Imbalances to the extent the receipts do not equal

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deliveries under customer's Agreement shall be cashed out. To the extent customer owes natural gas volumes to Company (deliveries exceeded receipts) customer will purchase said volumes at the applicable cash-out price described below. To the extent Company owes natural gas volumes to customer (receipts exceeded deliveries), Company will purchase said volumes at the applicable cash-out price described below. Overage Underage Imbalance Level The Company Pays Customer Customer Pays the Company From 0% to 5% 100% 100% From 5% to 10% 80% 120% From 10% to 15% 70% 130% From 15% to 20% 60% 140% Greater than 20% 50% 150% Overages in all tiers will be priced, using the applicable percentage, at the lesser of: Index (Inside FERC REGT East) or the Company's Cost of Gas Sold component. Underages in other tiers will be priced, using the applicable percentage, at the greater of: Index (Inside FERC REGT East) or the Company's Cost of Gas Sold charges under the Gas Supply Rate Rider. 3.21.9. The imbalances incurred due to customers reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range for the determination of the applicable cash-out price. 3.22. PREDETERMINED ALLOCATION 3.22.1. Should customer elect service under this rate schedule under more than one of the two supply options, such that gas delivered by Company at any single delivery point will involve supply under more than one of the two options, Company and customer shall enter into a predetermined allocation agreement (PDA). This PDA will establish the allocation of deliveries, which can be relied upon by either party in the conduct and performance under the Agreement. The method of allocation can be: (i) ranked (order through the meter); (ii) pro rata; (iii) fixed percentage; (iv) swing; or (v) any other method to which both Company and customer agree. Each PDA shall be effective for at least one Service Month and shall remain in effect until superceded by a new PDA. 3.23. POOLING SERVICE 3.23.1 The Company shall make Pooling Service available to any party (hereinafter referred to as Pool Manager) that requests Pooling Service from Company when: (i) Company has received, reviewed and accepted a credit application from Pool Manager, and Pool Manager has been deemed creditworthy. (ii) Company and Pool Manager have executed a Pooling Service Agreement in the form acceptable to Company. (iii) Pool Manager has submitted formal documentation of agency for customers subject to aggregation under this service. (iv) Pool Manager complies with all applicable provisions of this rate schedule. Pooling service shall be subject to interruption, in whole or in part, at any time, and shall be available subject to capacity constraints and operational and economic conditions. 3.23.2. Pooling shall consist of the aggregation of the Receipt Point(s) available to customers subject to the Pooling Service Agreement and deliveries made at Delivery Point(s) delivered subject to the Pooling Service Agreement. The Pool Manager, having documented agency authority, shall submit nominations and allocation information for all customers subject to the Pooling Service Agreement, to Company, in accordance with Part 3.20. Company shall not have any liability to a Pool Manager or customer as a result of Company's reliance on the performance of Pool Manager. 3.23.3. Imbalances in a Pool will be calculated by determining the difference between total aggregated receipts into the Pool and the total deliveries allocated out of the Pool to end users. Imbalance tolerances outlined in Part 3.21.5.A., 3.21.5.B. and 3.21.8. shall apply to the aggregated imbalance total, unless and until Pooling rights are interrupted for a specified period. 3.23.4. Imbalances incurred subject to Parts 3.21.5.A., 3.21.5.B. and 3.21.8. will be billed as specified in the Pooling Service Agreement. In the event that the Pool Manager fails to pay invoices, customer will remain liable for payment of all charges, as acknowledged in the Pooling Service Agreement. Should Pool Manager

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fail to pay invoices calculated at the aggregated level, upon default to the individual customer invoice, the invoice shall be recalculated at the individual customer level, without benefit of the aggregated tolerance. 3.24. WARRANTY OF TITLE 3.24.1. Customer shall have title to and shall warrant its title to all gas delivered to Company under the TSO of this rate schedule, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Customer shall indemnify Company against all suits, actions, debts, accounts and damages arising out of any adverse claims to, against or in respect of such gas. Customer shall also indemnify Company and hold it harmless from and against any and all claims, actions, suits, costs, liabilities and expenses caused by or arising out of possession or presence of such gas before it is delivered into Company's facilities. Customers entering into Agreements as specified in Part 3.1.1. shall have the right to deliver volume for redelivery, available exclusively for customers' own use. Such delivery rights shall not be resold to or shared with third parties. 3.25. ASSIGNMENT 3.25.1. Customer shall not assign the Agreement in whole or in part, nor shall customer agree to provide services to others by use of any capacity contracted for under the Agreement, without Company's prior written consent. In addition to all other rights and remedies, Company may terminate the Agreement immediately if it is assigned by customer or if customer subcontracts its transportation capacity to others without such prior consent, whether the assignment be voluntary or by operation of law or otherwise. Subject to the above, the respective rights and obligations of the parties under the Agreement shall extend to and be binding upon their heirs, successors, assigns and legal representatives. 3.26. TRANSPORTATION REGULATIONS 3.26.1. With regard to all aspects of the transportation service, it is recognized that Company operates a local distribution system, and, accordingly, all provisions hereof having to do with transportation of gas and the charge therefor, including Company's obligation to transport gas at all, are subject and subordinate to the provisions of any certificates and rate schedules issued by or filed with the Commission or successor authority, as well as any and all local, state and federal laws, orders, rules and regulations, to the extent applicable to the transportation of gas by Company, as contemplated hereby. To the extent that any local, state or federal authorization and/or approval is required to provide such transportation service, Company will proceed with due diligence to seek to obtain same as and when necessary in such manner as Company considers to be appropriate, provided that due diligence will not obligate Company to accept conditions or rates otherwise unacceptable to Company. 3.27. UNACCEPTABLE QUANTITIES 3.27.1. Company shall have the right to refuse at any time, and from time to time, to receive at any receipt point or to deliver at any delivery point a quantity of gas that Company determines, in its reasonable judgment, to be unduly burdensome from an operating or administrative standpoint. 3.28. LIMITATION OF LIABILITY 3.28.1. In no event shall Company be liable (in contract or in tort, including actions based on claims of negligence) to customer or any other claimant for special, indirect, incidental, or consequential damages, including, but not limited to, lost profits and any part of the expense incurred in securing alternative services which exceeds the amount customer would have paid hereunder, resulting from Company's performance, nonperformance or delay in performing its obligations hereunder. 3.29. FACILITIES POLICY 3.29.1. Unless otherwise provided by Company's rates and policies or the applicable Agreement, when gas is connected to a new facility, customer will reimburse Company the cost of all facilities necessary to effect receipts or deliveries within thirty (30) days after receipt of Company's statement following completion of installation.

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This payment shall be non-refundable and accounted for by Company as a Contribution in Aid of Construction. The term facilities includes the pipeline, the connecting meter run, separator, regulator and all related facilities necessary to receive or deliver the gas in accordance with the provisions hereof. The term cost includes the cost of pipe, materials, equipment and other facilities, cost of right of way, and cost of installation and other related costs. Customer's payment to Company under this paragraph shall not operate to give customer any right, title or interest, in or to Company's facilities installed for the service and Company's said facilities shall be and remain the sole property of Company. 3.30. SALES SERVICE 3.31.0. Company shall only be obligated to provide sales service to customer if and to the extent it is purchased and contracted for by customer pursuant to one of Company's filed rate schedules. In those circumstances in which customer elects to purchase sales service offered by Company during periods of full or partial interruption of transportation service by customer's upstream pipeline transporter, customer shall pay Company the total applicable cost of providing such emergency sales service. 3.31. OPERATIONAL NOTICES AND COMMUNICATIONS 3.31.1. Company shall make available scheduling personnel on a twenty-four (24) hour basis. Customer shall provide, and update as necessary, the name, address, and telephone number of an operational contact person or persons who will be available on a twenty-four (24) hour basis to receive or provide communications involving receipts, deliveries, curtailment and for any other purposes relating to customer's service under this rate schedule. Company shall be entitled to rely on such contact person's actions and communications for all purposes and shall have no liability for doing so, and if customer fails to designate such person or such person is unavailable to Company at any time, customer may be liable and shall indemnify and hold Company harmless from and against losses, damages and other expenses which Company or any other person may suffer or for which Company may be liable which are attributable to such failure or unavailability.

PSIF-5

PIPELINE SAFETY INSPECTION FEE

Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211.

The 2014 Pipeline Safety Fee is a one-time customer charge per bill of \$1.04, based on \$1.00 per service line. Collected from April 1, 2014 to April 30, 2014.

**RATE ADJUSTMENT PROVISIONS**

None

## GAS SERVICES DIVISION

## GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 7688

| <b>CUSTOMERS</b>       |                        |                     |                           |                           |
|------------------------|------------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u>   | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 9867                   | N                      | MMBtu               | \$.0000                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | MMBtu               | \$.0000                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | MMBtu               | \$.0000                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | MMBtu               | \$.0000                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | MMBtu               | \$.0000                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | MMBtu               | \$.0000                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | MMBtu               | \$.0000                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | MMBtu               | \$.0000                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | MMBtu               | \$.0000                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | MMBtu               | \$.0000                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | MMBtu               | \$.0000                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | MMBtu               | \$.0000                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | MMBtu               | \$.0000                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | MMBtu               | \$.0000                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | MMBtu               | \$.0000                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | MMBtu               | \$.0000                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | MMBtu               | \$.0000                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |



GAS SERVICES DIVISION  
GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 7688

**CUSTOMERS**

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u>   | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|------------------------|---------------------|---------------------------|---------------------------|
| 9868                   | N                      | MMBtu               | \$.0000                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | MMBtu               | \$.0000                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | MMBtu               | \$.0000                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |
| 9867                   | N                      | MMBtu               | \$.0000                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, ENVIRONS    |                     |                           |                           |
| 9868                   | N                      | MMBtu               | \$.0000                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, ENVIRONS         |                     |                           |                           |
| 9869                   | N                      | MMBtu               | \$.0000                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, ENVIRONS     |                     |                           |                           |
| 9870                   | N                      | MMBtu               | \$.0000                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, ENVIRONS |                     |                           |                           |

**REASONS FOR FILING**

NEW?: N RRC DOCKET NO: GUD9345 CITY ORDINANCE NO:

AMENDMENT( EXPLAIN ):

OTHER( EXPLAIN ): Add Pipeline Safety Inspection Fee

**SERVICES**

| <u>TYPE OF SERVICE</u>        | <u>SERVICE DESCRIPTION</u>       |
|-------------------------------|----------------------------------|
| B                             | Commercial Sales                 |
| <u>OTHER TYPE DESCRIPTION</u> |                                  |
| M                             | Other(with detailed explanation) |
| <u>OTHER TYPE DESCRIPTION</u> | Large Volume Customer            |

GAS SERVICES DIVISION  
GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17531

DESCRIPTION: Distribution Sales STATUS: A  
EFFECTIVE DATE: 01/11/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 04/23/2014  
GAS CONSUMED: N AMENDMENT DATE: 07/16/2010 OPERATOR NO:  
BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

| SCHEDULE ID | DESCRIPTION  |
|-------------|--|
| BDA-I       | 6. TRIAL BILLING DETERMINANT RATE ADJUSTMENT TARIFF (BDA) 6.1. The Trial Billing Determinant Rate Adjustment Tariff (BDA) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 6 Trial Billing Determinant Adjustment Tariff (BDA). 6.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off Peak (SCS-2) Unmetered Gas Light Firm Sales Service (GL-1)   |
| EECR-I      | 5. ENERGY EFFICIENCY COST RECOVERY RIDER (EECR) 5.1. The Energy Efficiency Cost Recovery Rider (EECR) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 5 Energy Efficiency Cost Recovery Rider (EECR). 5.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)  |
| GSR-I       | 1. GAS SUPPLY RATE (GSR) 1.1. The Gas Supply Rate (GSR) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 1 Gas Supply Rate (GSR). 1.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)   |
| MRP         | 2. MAIN REPLACEMENT PROGRAM (MRP) 2.1. The Main Replacement Program (MRP) surcharge shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 2 Main Replacement Program Rider(MRP). 2.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)   |
| PSIF-5      | PIPELINE SAFETY INSPECTION FEE<br>Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211.<br><br>The 2014 Pipeline Safety Fee is a one-time customer charge per bill of \$1.04, based on \$1.00 per service line. Collected from April 1, 2014 to April 30, 2014.   |
| WNA-I       | 4. WEATHER NORMALIZATION ADJUSTMENT (WNA) 4.1. For bills rendered from November 1 through April 30 each year, the applicable margin rates for gas service to customers served under the applicable rate schedules shall be adjusted by a Weather Normalization Adjustment (WNA) to reflect much of the impact of heating degree day variations from normal levels which were used to set rates under the applicable rate schedules. 4.2. In order to calculate the total weather adjustment for the applicable billing cycle, a weather deviation is computed and multiplied by the applicable margin rate. A per Ccf WNA adjustment is calculated by dividing the total weather adjustment by the average Ccf usage per customer for all customers in each billing cycle, using the formula described below. The per Ccf adjustment for each applicable rate schedule is applied to customer's usage for the billing cycle. |

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17531

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

The WNA shall be separately identified on customer bills. 4.3. CALCULATION OF WEATHER NORMALIZATION ADJUSTMENT 4.3.1. The WNA is calculated as follows:  
 $WNA_i = R_i(DDF_i (NDD - ADD))$  AAU<sub>i</sub> Where: i = Any particular rate classification to which the WNA is to be applied. WNA = Weather Normalization Dollar Adjustment per Ccf R = Applicable Margin Rate DDF = Degree Day Factor associated with the applicable rate schedule: Residential Service (RS-1) .1432 Small Commercial Sales (SCS-1 and SCS-2) .5776 NDD = Normal Degree Days during the billing cycle ADD = Actual Degree Days during the billing cycle AAU = Average Actual Usage per customer for each billing cycle 4.4. DEFINITIONS 4.4.1. Normal Degree-days: The heating degree-days, which are based on a 30-year average ending June 30, 2006 as are shown on Attachment 1. 4.4.2. Actual Degree Days: The actual heating degree days as published by Weather Services Corporation, or any other nationally recognized third-party weather service. 4.4.3. Applicable Margin Rate: 4.4.3.1. The Residential Service (RS-1). The RS-1 WNA marginal rate will use a weighted average marginal rate of the November - April residential volumes that are in excess of 13 Ccf. The mechanics will be to use the monthly bill frequencies to determine the volume in the 14-50 Ccf range and the volume above the 50 Ccf range. The weighted average margin will be determined by applying the first block margin rate to the 14-50 Ccf volumes and the second block margin rate to the volumes above 50 Ccf, summing those totals and dividing the results by the total volumes in those ranges. 4.4.3.2. The Small Commercial Sales (SCS-1 and SCS-2). The SCS WNA marginal rate will use a weighted average marginal rate of the November - April SCS volumes that are in excess of 153 Ccf. The mechanics will be to use the monthly bill frequencies to determine the volume in the 154-1,500 Ccf range, the volume in the 1,501-15,000 Ccf range, and the volume above the 15,000 Ccf range. The weighted average margin will be determined by applying the first block margin rate to the 154-1,500 Ccf volumes, the second block margin rate to the volumes in the 1,501-15,000 range, and the third block margin rate to the volumes in the range above 15,000 Ccf, summing those totals and dividing the results by the total volumes in those ranges. 4.5. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2)

TA-I 3. MUNICIPAL TAX ADJUSTMENT CLAUSE (TA) 3.1. The Company will pass on Municipal Taxes to Local Customers by adding to each monthly bill rendered a Local Customer as a separate line item identified as Municipal Franchise Adjustment, an amount calculated on an equal-per-meter basis determined in accordance with the following:  
 3.1.1. As used herein, the term City Tax, or Municipal Tax, refers to any and all privilege, occupation, franchise meter, gross receipts or other tax or assessment of whatever kind and by whatever name (except ad valorem taxes) now and at any time hereafter levied on, the Company by any Municipality. 3.1.2. Municipality refers to the local taxing authority imposing the Municipal Tax, whether city, town, village, unincorporated association, district, county or other authority authorized to impose same under present or future law. 3.1.3. Local Customers refers to any and all residential and general service customers in Texas that are within the geographical boundaries or taxing authority of the Municipality; provided, that if a particular tax ordinance or other act imposing the Municipal Tax includes in its taxing impact any service locations that would otherwise not be considered a Local Customer hereunder, then such service will be included in the term Local Customer.  
 3.2. Notwithstanding the above, if a particular tax ordinance or other act imposing the Municipal Tax specifies a method of payment of collection other than on an equal-per-meter basis, then the method so specified shall be utilized

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17531

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SCHEDULE ID

DESCRIPTION

provided such method results in the collection of taxes from Local Customers equal to the taxes levied on the Company. 3.3. The Company, upon receipt of a certified copy of the approved municipal ordinance will initiate the pass-on of any increase or decrease in taxes subject to this clause beginning with the billing cycle immediately following receipt of the ordinance, and upon the availability of customer billing data necessary to initiate or to revise the calculation of the pass-on. 3.4. If at any time there is a significant change in any of the above determining factors which will cause an unreasonable over or under collection of Municipal Taxes, the Company will adjust the amount collected so that such over or under collection will be minimized. 3.5. APPLICABLE RATE SCHEDULES: Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)

SCS-1- I

2. SMALL COMMERCIAL FIRM SALES SERVICE (SCS-1) 2.1. AVAILABILITY 2.1.1. This rate schedule is available at points of adequate capacity and suitable pressure on the Company's existing facilities. This rate schedule is available to any consumer engaging in business, professional, institutional or other non-residential activity supplied at an individually metered point of delivery for all uses of gas. Natural gas supplied hereunder is for the individual use of the customer at the point of delivery and shall not be resold or shared with others, except as provided for under Part 2.1.2. herein. Standby service is not available under this rate schedule. 2.1.2. This rate schedule is available to any natural gas vehicle fueling facility, open for use by the general public, with compression equipment sized at a minimum of twenty-five (25) cubic feet per minute (cfm). 2.1.3. Gas consumption under this rate schedule is limited to 365,000 Ccf in any 12 consecutive month period. If at any time, it is anticipated, based on Company's estimate, that the customer will consume in excess of 365,000 Ccf per year in the succeeding 12 consecutive month period, the customer shall become subject to the applicable large commercial firm service rate schedule. 2.1.4. Company has historically allowed the volume usage of meters at business facilities under common ownership and subject to this rate schedule to be aggregated for the sole purpose of establishing eligibility for transportation as referenced in Part 3.1.3. of Rate Schedule LCS-1. Customers historically qualifying for transportation under this aggregation provision shall remain subject to the rates and charges under this rate schedule in addition to any additional specific rates, charges, or adjustment riders peculiar to the Transportation Supply Option (TSO) set out in Rate Schedule LCS-1, such as, but not limited to, administrative fees. Customers aggregating volume shall be subject to all provisions and policies governing TSO option customers as specified in LCS-1, except as provided for herein. Although no aggregation will be allowed for eligibility, the ability to aggregate for eligibility purposes at existing and new locations shall remain unchanged for transportation customers eligible under such aggregation provision prior to September 21, 2002. Future aggregation for the purpose of qualification, except as otherwise referenced herein, is prohibited. Each individual account of historically qualified customers shall be treated as a separate account and shall be subject to the same rates and charges under the originating SCS-1 or LCS 1 rate schedule, and are additionally subject to any specific rates, charges or riders specific to the TSO. For the purpose of establishing eligibility for the TSO defined in the LCS rate schedule, customers experiencing or anticipating an average daily demand of 25 MMBtu per day during the preceding or succeeding twelve months will be eligible for the TSO. Customers qualifying for transportation who choose

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17531

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SCHEDULE ID

DESCRIPTION

the TSO shall be subject to rates and charges under the SCS-1 rate schedule, and are additionally subject to any additional specific rates, charges or riders specific to the TSO. 2.1.5 Customers converting from transportation service to sales service will be required to contract for such sales services between the months of February through April preceding the expiration of the primary or any succeeding term of the Customer's existing contract. Customers seeking to contract for sales service during the required time frame will be allowed to convert to sales service provided that the Company is able to secure firm upstream transportation capacity and other upstream pipeline services sufficient to meet the Customer's needs. Any such conversion will be effective upon the expiration of the term of the Customer's existing contract, unless the Company and the Customer agree otherwise. 2.1.6. Seasonal Transportation. Customer facilities experiencing more than 80% of annual load during the flow months April through October, and who experience or anticipate an average daily demand of more than 25 MMBtu per day during any consecutive 30-day period of the preceding or succeeding April through October, are eligible to transport on a seasonal basis. Customers meeting the aforementioned criteria, may elect the TSO option and choose a subsequent return to the System Supply Option (SSO) only once during the calendar year. Customers electing the TSO on a seasonal basis, pursuant to notice given prior to May 31st or thirty days prior to commencement of service, whichever is earlier, may receive transportation service for a continuous period of at least 30 days between April 1 and October 31. Customers electing the TSO option on a seasonal basis are subject to the TSO contract administration fee. Additionally, each participating location shall pay a \$300 set-up fee upon initial election and upon any subsequent return to transportation service. 2.2. RATES 2.2.1. Each customer receiving service under this rate schedule shall be charged the sum of (a), (b), and (c) as follows: (a) Monthly Customer Charge - \$13.00. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service. (b) Distribution Rate for customers electing the SSO option: First 1,500 Ccf at \$0.15177 1,501 - 15,000 Ccf at \$0.11479 Over 15,000 Ccf at \$0.04921 Distribution Rate for customers electing the TSO option: First 150 MMBtu at \$1.49368 151 - 1,500 MMBtu at \$1.12973 Over 1,500 MMBtu at \$0.48431 (c) Gas Supply Rate - The Gas Supply Rate will be calculated and adjusted periodically as defined in the Company's Gas Supply Rate Rider. 2.2.2. Rates for customers historically qualifying for service under the Part 2.1.4. aggregation provision and customers qualifying for transportation under this rate schedule will be subject to thermal adjustment. Delivered volumes will be adjusted by the appropriate thermal content factor obtained from the nearest available chromatograph or sampling location (Ccf / 10) x thermal content factor = MMBtu). 2.3. MINIMUM CHARGE 2.3.1. Monthly Customer Charge -- \$13.00. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service. 2.4. TELEMETERING 2.4.1. In the event customer has in place working telemetering facilities and equipment; and the customer receives system supply service; and Company determines it necessary to keep the telemeter(s) operational, Company will arrange and pay for the associated telecommunications cost while the customer receives sales service under this rate schedule. Customers electing seasonal transportation service pursuant to Part 21.6. shall be responsible for the full installed cost of telemetry equipment of standard make and manufacture to determine hourly and daily flow at customer's point of delivery. 2.4.2. Customer shall be responsible for installing and maintaining telecommunications lines. Should customer fail to maintain or repair telecommunications lines required to communicate with telemetry

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17531

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

equipment, Company shall have the right to bill customer all labor and expense required to manually read the meter, at whatever intervals the Company may deem necessary. 2.5. RIDERS 2.5.1. In addition to the Gas Supply Rate Rider, the following riders are applicable to service under this rate schedule: Rider Identification on Name Description Customer Bills MRP Main Replacement Program Base Rate Adjustment TA Municipal Tax Adjustment Municipal Franchise Adjustment WNA Weather Normalization Adjustment Weather Normalization Adjustment BDA Trial Billing Determinant Rate Adjustment Billing Determinant Rate Adjustment EECR Energy Efficiency Cost Recovery Rider Energy Efficiency Cost Rate 2.5.2. Service will be rendered under this rate schedule until service is discontinued to customer, the customer qualifies for service under the large commercial firm service rate schedule, or the schedule is superseded. 2.6. RULES AND REGULATIONS GOVERNING UTILITY SERVICE 2.6.1. The Commission's Special Rules of Practice and Procedure and Substantive Rules and the Company's Standard Rules and Regulations, as the same may from time to time be changed in accordance with the law, shall be applicable to service under this rate schedule.

**RATE ADJUSTMENT PROVISIONS**

None

## GAS SERVICES DIVISION

## GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17531

| <b>CUSTOMERS</b>       |                      |                     |                           |                           |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 9863                   | N                    | ccf                 | \$.6293                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6293                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6293                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6293                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6293                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6293                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6293                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6293                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6293                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |

GAS SERVICES DIVISION  
GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17531

**CUSTOMERS**

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| 9864                   | N                    | ccf                 | \$.6293                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6293                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6293                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |

**REASONS FOR FILING**

NEW?: N RRC DOCKET NO: CITY ORDINANCE NO: Ord 253-07 & Operation of law  
 AMENDMENT( EXPLAIN ) :  
 OTHER( EXPLAIN ) : Add Pipeline Safety Inspection Fee

**SERVICES**

| <u>TYPE OF SERVICE</u>        | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| B                             | Commercial Sales           |
| <u>OTHER TYPE DESCRIPTION</u> |                            |



GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17532

DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 01/11/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 04/23/2014  
 GAS CONSUMED: N AMENDMENT DATE: 07/16/2010 OPERATOR NO:  
 BILLS RENDERED: Y INACTIVE DATE:

**RATE SCHEDULE**

| SCHEDULE ID | DESCRIPTION   |
|-------------|---|
| EECR-I      | 5. ENERGY EFFICIENCY COST RECOVERY RIDER (EECR) 5.1. The Energy Efficiency Cost Recovery Rider (EECR) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 5 Energy Efficiency Cost Recovery Rider (EECR). 5.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)   |
| GSR-I       | 1. GAS SUPPLY RATE (GSR) 1.1. The Gas Supply Rate (GSR) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 1 Gas Supply Rate (GSR). 1.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)  |
| MRP         | 2. MAIN REPLACEMENT PROGRAM (MRP) 2.1. The Main Replacement Program (MRP) surcharge shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 2 Main Replacement Program Rider(MRP). 2.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)  |
| PSIF-5      | PIPELINE SAFETY INSPECTION FEE<br>Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211.<br><br>The 2014 Pipeline Safety Fee is a one-time customer charge per bill of \$1.04, based on \$1.00 per service line. Collected from April 1, 2014 to April 30, 2014.  |
| SCS-2-I     | 5. SMALL COMMERCIAL FIRM SALES SERVICE-OFF-PEAK (SCS-2) 5.1. AVAILABILITY 5.1.1. This rate schedule is available at points of adequate capacity and suitable pressure on the Company's existing facilities. This rate schedule is available to any consumer engaging in business, professional, institutional, agricultural or other non-residential activity supplied at an individually metered point of delivery for all uses of gas. Natural gas supplied hereunder is for the individual use of the customer at the point of delivery and shall not be resold or shared with others. Standby Service is not available under this rate schedule. 5.1.2. Gas consumption under this rate schedule is limited to 365,000 Ccf in any 12 consecutive month period. In at least one of the two preceding calendar years, the customer must have consumed 80% of the September 1 through August 31 annual volume in the April through October billing periods and it's September 1 through August 31 annual consumption for that year must have exceeded 99 Ccf. In the case of new customers or customers who anticipate changing their usage pattern, this rate will be available if a reasonable projection of their volumes in the upcoming year indicates they will use 80% of their September 1 through August 31 annual volume in the April through October billing periods and that their September 1 through August 31 annual consumption will exceed 99 Ccf. If at any time, it is anticipated based on the Company's estimate, that the customer will consume in excess of 365,000 Ccf |

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17532

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

per year in the succeeding 12 consecutive month period, the customer shall become subject to the applicable large commercial firm service rate schedule. 5.1.3. Company has historically allowed the volume usage of meters at business facilities under common ownership and subject to this rate schedule to be aggregated for the sole purpose of establishing eligibility for transportation as referenced in Part 3.1.3. of Rate Schedule LCS-1. Customers historically qualifying for transportation under this aggregation provision shall remain subject to the rates and charges under this rate schedule in addition to any additional specific rates, charges, or adjustment riders peculiar to the Transportation Supply Option set out in Rate Schedule LCS-1, such as, but not limited to, administrative fees. Customers aggregating volume shall be subject to all provisions and policies governing TSO option customers as specified in LCS-1, except as provided for herein. Although no aggregation will be allowed for eligibility, the ability to aggregate for eligibility purposes at existing and new locations shall remain unchanged for transportation customers eligible under such aggregation provision prior to September 21, 2002. Future aggregation for the purpose of qualification, except as otherwise referenced herein, is prohibited. Each individual account of historically qualified customers shall be treated as a separate account and shall be subject to the same rates and charges under the originating SCS-2 or LCS rate schedule, and are additionally subject to any specific rates, charges or riders specific to the TSO. For the purpose of establishing eligibility for the Transportation Supply Option (TSO) defined in the LCS rate schedule, customers experiencing or anticipating an average daily demand of 25 MMBtu per day during the preceding or succeeding twelve months will be eligible for the TSO. Customers qualifying for transportation who choose the TSO shall be subject to rates and charges under the SCS-2 rate schedule, and are additionally subject to any additional specific rates, charges or riders specific to the TSO. 5.1.4. Customers converting from transportation service to sales service will be required to contract for such sales services between the months of February through April preceding the expiration of the primary or any succeeding term of the Customer's existing contract. Customers seeking to contract for sales service during the required time frame will be allowed to convert to sales service provided that the Company is able to secure firm upstream transportation capacity and other upstream pipeline services sufficient to meet the Customer's needs. Any such conversion will be effective upon the expiration of the term of the Customer's existing contract, unless the Company and the Customer agree otherwise. 5.1.5. Seasonal Transportation. Customer facilities experiencing more than 80% of annual load during the flow months April through October, and who experience or anticipate an average daily demand of more than 25 MMBtu per day during any consecutive 30-day period of the preceding or succeeding April through October, are eligible to transport on a seasonal basis. Customers meeting the aforementioned criteria may elect the TSO option and choose a subsequent return to the SSO option only once during the calendar year. Customers electing the TSO option on a seasonal basis, pursuant to notice given prior to May 31st or thirty days prior to commencement of service, whichever is earlier, may receive transportation service for a continuous period of at least 30 days between April 1 and October 31. Customers electing the TSO option on a seasonal basis are subject to the TSO contract administration fee. Additionally, each participating location shall pay a \$300 set-up fee upon initial election and upon any subsequent return to transportation service. 5.2. RATES 5.2.1. Each customer receiving service under this rate schedule shall be charged the sum of (a) and (b): (a) Distribution Rate for customers electing the SSO

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17532

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

option: First 1,500 Ccf per Month at \$0.20857 per Ccf Next 13,500 Ccf per Month at \$0.11479 per Ccf Over 15,000 Ccf per month at \$0.04921 per Ccf Distribution Rate for customers electing the TSO option: First 150 MMBtu at \$2.05269 per MMBtu Next 1,350 MMBtu at \$1.12973 per MMBtu Over 1,500 MMBtu at \$0.48431 per MMBtu (b) Gas Supply Rate - The Gas Supply Rate will be calculated and adjusted periodically as defined in the Company's Gas Supply Rate Rider. Customers qualifying for service under this rate schedule will pay for their upstream demand related charges on a volumetric basis as provided for in the Company's Gas Supply Rate Rider. 5.2.2. Rates for customers historically qualifying for service under the Part 5.1.3. aggregation provision and customers qualifying for transportation under this rate schedule will be subject to thermal adjustment. Delivered volumes will be adjusted by the appropriate thermal content factor obtained from the nearest available chromatograph or sampling location (Ccf / 10) x thermal content factor = MMBtu). 5.3. TELEMETERING 5.3.1. Customers electing and qualifying for transportation service shall be responsible for the full installed cost of telemetry equipment of standard make and manufacture to determine hourly and daily flow at customer's point of delivery. In the event customer has in place working telemetering facilities and equipment; and the customer receives system supply service; and Company determines it necessary to keep the telemeter(s) operational, Company will arrange and pay for the associated telecommunications cost while the customer receives sales service under this rate schedule. Customers electing seasonal transportation service pursuant to Part 5.1.4. shall be responsible for the full installed cost of telemetry equipment of standard make and manufacture to determine hourly and daily flow at customer's point of delivery. 5.3.2. Customer shall be responsible for installing and maintaining telecommunication lines. Should customer fail to maintain or repair telecommunication lines required to communicate with telemetry equipment, Company shall have the right to bill customer all labor and expense required to manually read the meter, at whatever intervals the Company may deem necessary. 5.4. RIDERS 5.4.1. In addition to the Gas Supply Rate Rider, the following riders are applicable to service under this rate schedule: Rider

Identification on Name Description  
 Customer Bills MRP Main Replacement Program Base Rate  
 Adjustment TA Municipal Tax Adjustment Municipal  
 Franchise Adjustment WNA Weather Normalization Adjustment Weather  
 Normalization Adjustment BDA Trial Billing Determinant Rate Adjustment Billing  
 Determinant Rate Adjustment EECR Energy Efficiency Cost Recovery Rider Energy  
 Efficiency Cost Rate 5.4.2. Service will be rendered under this rate schedule until service is discontinued to customer, the customer no longer qualifies for service under the SCS-2 rate schedule, but qualifies for service under the Small Commercial Firm Service (SCS-1) rate schedule, the customer qualifies for service under the Large Commercial Firm Service rate schedule, or the schedule is superseded. 5.5. RULES AND REGULATIONS GOVERNING UTILITY SERVICE 5.5.1. The Commission's Special Rules of Practice and Procedure and Substantive Rules and the Company's Standard Rules and Regulations, as the same may from time to time be changed in accordance with the law, shall be applicable to service under this rate schedule.

TA-I 3. MUNICIPAL TAX ADJUSTMENT CLAUSE (TA) 3.1. The Company will pass on Municipal Taxes to Local Customers by adding to each monthly bill rendered a Local Customer as a separate line item identified as Municipal Franchise Adjustment, an amount calculated on an equal-per-meter basis determined in accordance with the following:

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17532

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

3.1.1. As used herein, the term City Tax, or Municipal Tax, refers to any and all privilege, occupation, franchise meter, gross receipts or other tax or assessment of whatever kind and by whatever name (except ad valorem taxes) now and at any time hereafter levied on, the Company by any Municipality. 3.1.2. Municipality refers to the local taxing authority imposing the Municipal Tax, whether city, town, village, unincorporated association, district, county or other authority authorized to impose same under present or future law. 3.1.3. Local Customers refers to any and all residential and general service customers in Texas that are within the geographical boundaries or taxing authority of the Municipality; provided, that if a particular tax ordinance or other act imposing the Municipal Tax includes in its taxing impact any service locations that would otherwise not be considered a Local Customer hereunder, then such service will be included in the term Local Customer.

3.2. Notwithstanding the above, if a particular tax ordinance or other act imposing the Municipal Tax specifies a method of payment of collection other than on an equal-per-meter basis, then the method so specified shall be utilized provided such method results in the collection of taxes from Local Customers equal to the taxes levied on the Company. 3.3. The Company, upon receipt of a certified copy of the approved municipal ordinance will initiate the pass-on of any increase or decrease in taxes subject to this clause beginning with the billing cycle immediately following receipt of the ordinance, and upon the availability of customer billing data necessary to initiate or to revise the calculation of the pass-on.

3.4. If at any time there is a significant change in any of the above determining factors which will cause an unreasonable over or under collection of Municipal Taxes, the Company will adjust the amount collected so that such over or under collection will be minimized. 3.5. APPLICABLE RATE SCHEDULES: Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)

WNA-I

4. WEATHER NORMALIZATION ADJUSTMENT (WNA) 4.1. For bills rendered from November 1 through April 30 each year, the applicable margin rates for gas service to customers served under the applicable rate schedules shall be adjusted by a Weather Normalization Adjustment (WNA) to reflect much of the impact of heating degree day variations from normal levels which were used to set rates under the applicable rate schedules. 4.2. In order to calculate the total weather adjustment for the applicable billing cycle, a weather deviation is computed and multiplied by the applicable margin rate. A per Ccf WNA adjustment is calculated by dividing the total weather adjustment by the average Ccf usage per customer for all customers in each billing cycle, using the formula described below. The per Ccf adjustment for each applicable rate schedule is applied to customer's usage for the billing cycle.

The WNA shall be separately identified on customer bills. 4.3. CALCULATION OF WEATHER NORMALIZATION ADJUSTMENT 4.3.1. The WNA is calculated as follows:  

$$WNA_i = R_i(DDF_i (NDD - ADD))$$
 AAU<sub>i</sub> Where: i = Any particular rate classification to which the WNA is to be applied. WNA = Weather Normalization Dollar Adjustment per Ccf R = Applicable Margin Rate DDF = Degree Day Factor associated with the applicable rate schedule: Residential Service (RS-1) .1432 Small Commercial Sales (SCS-1 and SCS-2) .5776 NDD = Normal Degree Days during the billing cycle ADD = Actual Degree Days during the billing cycle AAU = Average Actual Usage per customer for each billing cycle 4.4.

DEFINITIONS 4.4.1. Normal Degree-days: The heating degree-days, which are based on a 30-year average ending June 30, 2006 as are shown on Attachment 1. 4.4.2. Actual Degree Days: The actual heating degree days as published by Weather Services

GAS SERVICES DIVISION  
 GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17532

**RATE SCHEDULE**

| SCHEDULE ID | DESCRIPTION  |
|-------------|--|
| BDA-I       | <p>Corporation, or any other nationally recognized third-party weather service.</p> <p>4.4.3. Applicable Margin Rate: 4.4.3.1. The Residential Service (RS-1). The RS-1 WNA marginal rate will use a weighted average marginal rate of the November - April residential volumes that are in excess of 13 Ccf. The mechanics will be to use the monthly bill frequencies to determine the volume in the 14-50 Ccf range and the volume above the 50 Ccf range. The weighted average margin will be determined by applying the first block margin rate to the 14-50 Ccf volumes and the second block margin rate to the volumes above 50 Ccf, summing those totals and dividing the results by the total volumes in those ranges. 4.4.3.2. The Small Commercial Sales (SCS-1 and SCS-2). The SCS WNA marginal rate will use a weighted average marginal rate of the November - April SCS volumes that are in excess of 153 Ccf. The mechanics will be to use the monthly bill frequencies to determine the volume in the 154-1,500 Ccf range, the volume in the 1,501-15,000 Ccf range, and the volume above the 15,000 Ccf range. The weighted average margin will be determined by applying the first block margin rate to the 154-1,500 Ccf volumes, the second block margin rate to the volumes in the 1,501-15,000 range, and the third block margin rate to the volumes in the range above 15,000 Ccf, summing those totals and dividing the results by the total volumes in those ranges. 4.5. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2)</p> <p>6. TRIAL BILLING DETERMINANT RATE ADJUSTMENT TARIFF (BDA) 6.1. The Trial Billing Determinant Rate Adjustment Tariff (BDA) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 6 Trial Billing Determinant Adjustment Tariff (BDA). 6.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off Peak (SCS-2) Unmetered Gas Light Firm Sales Service (GL-1)</p> |

**RATE ADJUSTMENT PROVISIONS**

None

## GAS SERVICES DIVISION

## GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17532

| <b>CUSTOMERS</b>       |                      |                     |                           |                           |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 9863                   | N                    | ccf                 | \$.6293                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6293                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6293                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6293                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6293                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6293                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6293                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6293                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6293                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |

GAS SERVICES DIVISION  
GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17532

**CUSTOMERS**

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| 9864                   | N                    | ccf                 | \$.6293                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6293                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6293                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6293                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6293                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |

**REASONS FOR FILING**

NEW?: N RRC DOCKET NO: CITY ORDINANCE NO: Ord 253-07 & Operation of law  
 AMENDMENT( EXPLAIN ) :  
 OTHER( EXPLAIN ) : Add Pipeline Safety Inspection Fee

**SERVICES**

| <u>TYPE OF SERVICE</u>        | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| B                             | Commercial Sales           |
| <u>OTHER TYPE DESCRIPTION</u> |                            |

GAS SERVICES DIVISION  
GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17533

DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 01/11/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 04/23/2014  
 GAS CONSUMED: N AMENDMENT DATE: 07/16/2010 OPERATOR NO:  
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

| SCHEDULE ID | DESCRIPTION  |
|-------------|--|
| EECR-I      | 5. ENERGY EFFICIENCY COST RECOVERY RIDER (EECR) 5.1. The Energy Efficiency Cost Recovery Rider (EECR) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 5 Energy Efficiency Cost Recovery Rider (EECR). 5.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)  |
| GSR-I       | 1. GAS SUPPLY RATE (GSR) 1.1. The Gas Supply Rate (GSR) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 1 Gas Supply Rate (GSR). 1.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)   |
| LCS-1A-I    | 3. LARGE COMMERCIAL FIRM SERVICE (LCS-1)<br>3.1. AVAILABILITY<br><br>3.1.1. This rate schedule is available at points of adequate capacity and suitable pressure on the Company's existing facilities. This rate schedule is available to any customer at a particular facility owned or operated by customer who enters into a large volume commercial service agreement (Agreement) with Company, in the form appended to this rate schedule on reasonable terms and conditions acceptable to the Company, for delivery of gas at the facility, provided such facility has experienced, or anticipates, an average daily demand of more than 100 MMBtu per day during the preceding or succeeding twelve (12) months, respectively. For the purpose of establishing eligibility for the Transportation Supply Option (TSO) defined in this rate schedule, customers experiencing or anticipating an average daily demand of 25 MMBtu per day during the preceding or succeeding twelve months will be eligible for the TSO. Customers choosing the TSO will remain under their originating SCS or LCS rate schedules, and are additionally subject to any specific rates, charges or riders specific to the TSO.<br><br>3.1.2. Company has historically allowed the volume usage of meters at facilities under common ownership and subject to other commercial rate schedules to be aggregated for the sole purpose of establishing eligibility for transportation. Although no aggregation will be allowed for eligibility, the ability to aggregate for eligibility purposes at existing and new locations shall remain unchanged for transportation customers eligible under such aggregation provision prior to September 21, 2002. Future aggregation for the purpose of qualification, except as otherwise referenced herein, is prohibited. Each individual account of historically qualified customers shall be treated as a separate account and shall be subject to the same rates and charges under the originating SCS or LCS rate schedule, and are additionally subject to any specific rates, charges or riders specific to the TSO. |



GAS SERVICES DIVISION  
 GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17533

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

3.1.3. Customers under this rate schedule may choose between two sources of supply, as follows: (A) System Supply Option (SSO) - under which customer will be delivered natural gas supply designated as general system supply of Company. (B) Transportation Supply Option (TSO) - under which customer will be delivered natural gas supply received for customer's account at points of receipt on Company's distribution facilities.

3.1.4. The customer's election between the two supply options under this rate schedule shall be set forth in the requisite Agreement which will specify the term (duration) of this customer election. Under no circumstances shall the Company be obligated to (a) deliver natural gas volumes to a customer under this rate schedule from a supply source other than the one reflected in customer's election embodied in the Agreement or (b) enter into an agreement with a term of less than one year. LCS customers failing to execute the requisite agreement setting forth the supply option election, shall default to the System Supply Option, and shall remain until such time that an agreement setting forth the alternative supply option is executed.

3.1.5. If customer has human needs requirements, or other requirements necessary for the preservation of life, health or physical property, the Company will require customer to certify, document, and update in writing annually prior to October 1, any material change to the level of said requirements to Company.

3.1.6. Additionally, if customer has human needs requirements under the TSO, the Company will require customer to certify and document to Company that it: (A) has made firm pipeline capacity and gas supply arrangements sufficient to ensure non-interruptible deliveries to satisfy its level of human needs requirements. This documentation will include written acknowledgement from the upstream pipeline that firm, primary delivery point capacity is under contract for the appropriate location that will service customer, and that such capacity is under contract for the entire November through March time period; or, (B) has one or more alternative energy back-up systems in place to provide for continuous energy to satisfy the total human needs requirements that otherwise would be met by natural gas. In such instance, there will be no requirement to meet this firm pipeline capacity and gas supply provision. This certification will consist of an affidavit from the appropriate executive officer as reflected in the Affidavit appended to this rate schedule.

3.1.7. Customers converting from sales service to transportation service shall bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from that conversion, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to substantiate that this result has been achieved, and shall make such information available to the converting customer upon request. Upon request, Company shall provide a good faith estimate of such costs/credits based upon representations made by the customer as to usage, demand, timing, and other factors.

3.1.8 Customers converting from transportation service to sales service will be required to contract for such sales service between the months of February through April preceding the expiration of the primary or any succeeding term of the

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Customer's existing contract. Customers seeking to contract for sales service during the required time frame will be allowed to convert to sales service provided that the Company is able to secure firm upstream transportation capacity and other upstream pipeline services sufficient to meet the Customer's needs. Any such conversion will be effective upon the expiration of the term of the Customer's existing contract, unless the Company and the Customer agree otherwise.

3.1.9. Seasonal Transportation. Customer facilities experiencing more than 80% of annual load during the flow months April through October, and who has experienced or anticipates an average daily demand of more than 25 MMBtu per day during any consecutive 30-day period of the preceding or succeeding April through October, are eligible to transport on a seasonal basis. Customers meeting the aforementioned criteria, may elect the TSO option and choose a subsequent return to the SSO option only once during the calendar year. Customers electing the TSO option on a seasonal basis, pursuant to notice given prior to May 31st or thirty days prior to commencement of service, whichever is earlier, may receive transportation service for a continuous period of at least 30 days between April 1 and October 31. Customers electing the TSO option on a seasonal basis are subject to the TSO contract administration fee. Additionally, each participating location shall pay a \$300 set-up fee upon initial election and upon any subsequent return to transportation service.

3.2. MAXIMUM QUANTITIES

3.2.1. Company and customer shall agree upon a Maximum Daily Winter Quantity (MDWQ) applicable to the period from November through March and a Maximum Daily Summer Quantity (MDSQ) applicable to the period from April through October, both of which will be reflected in the Agreement, and shall establish the maximum MMBtu that the Company will be obligated to deliver on a firm basis on any given day to customer's point of delivery until such maximum quantity is revised pursuant to Part 3.2.4.

3.2.2. Company and customer shall agree upon an Annual Volume Limitation (AVL), which will be reflected in the Agreement, and shall establish the maximum MMBtu which the Company shall be obligated to deliver on a firm basis during the contract year, consisting of twelve consecutive billing periods.

3.2.3. Under no circumstances is Company required to agree to an MDWQ, MDSQ, AVL, or other quantity-related obligation under this rate schedule that it finds inconsistent with actual expected operating outcomes or load requirements based on observed historical operating data, the level and nature of currently installed natural gas facilities, equipment and appliances, or other relevant, reasonable and appropriate information or data. When entering into a new Agreement, an existing customer will not be required to agree to an MDWQ, MDSQ, AVL, or other quantity-related obligation under this rate schedule that is less than the quantities in effect during the previous Agreement, provided, however, that the quantities sought by the customer were actually experienced during the two-year period preceding the new Agreement.

3.2.4. Unless agreed otherwise, should customer deliveries exceed the Initial MDWQ during the period from November through March, then delivery demand set on that day shall reestablish the MDWQ, and shall hereinafter be referred to as the Replacement

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MDWQ. Should customer deliveries exceed the Initial MDSQ during the period April through October, then delivery demand set on that day shall reestablish the MDSQ, and shall hereinafter be referred to as the Replacement MDSQ. Should annual deliveries exceed previously established levels, for the prior 12-month period, then the Initial AVL will be reestablished for the annual period, and shall be known as the Replacement AVL. The Replacement MDWQ, MDSQ or AVL, respectively, become effective on the first day of the month after which the excess occurred, and continue for the remaining term of the contract or until such time that a Replacement MDWQ, MDSQ or AVL is established. The Replacement MDWQ, MDSQ, or AVL shall not, however, exceed the quantity that is capable of being received or delivered on a firm basis. In the event that the Replacement MDWQ, MDSQ, or AVL would otherwise exceed the quantity that is capable of being received or delivered on a firm basis, then the Replacement MDWQ, MDSQ, or AVL shall be the maximum level that can be received or delivered on a firm basis.

3.2.5. Company shall not be obligated to receive or deliver more than the Maximum Hourly Quantity (MHQ). If customer takes gas in excess of the specified MHQ at the point of delivery without the approval of Company, and such excess flow causes physical harm to the Company, its other customers or its facilities, then customer shall reimburse Company for the actual cost of damages or harm or repairs to its facilities, plus overhead expenses, within 15 days after the date of Company's invoice to customer for such damages.

3.3. CAPACITY DEMAND

3.3.1. Each individually metered point of delivery under this rate schedule shall have a capacity demand (CD), equal to the higher of :

(A) The Initial MDWQ specified in customer's Agreement with Company, subject to the maximum quantities provision herein, or the Replacement MDWQ as established pursuant to the provisions of Part 3.2.4.

(B) The Initial AVL specified in customer's Agreement with Company, subject to the maximum quantities provision herein divided by 365, or the Replacement AVL as established pursuant to the provisions of Part 3.2.4.

3.3.2. This CD shall be the billing determinant for both distribution demand charges and Fixed Storage Charges, Fixed Gas Supply Charges and Fixed Transportation Charges (GSR Demand) under the Gas Supply Rate Rider. The Initial MDWQ or Initial AVL, the higher of which is known as the Initial CD shall remain in place until such time as a Replacement MDWQ or Replacement AVL, the higher of which is known as the Replacement CD, is established pursuant to the provisions of Part 3.2.4. During the course of the contract term, the CD established as billing determinant shall be the higher of the Initial CD under the contract or any Replacement CD established during the previous 12-month period. Unless agreed upon otherwise, if during the course of a multi-year contract, any Replacement CD established pursuant to Part 3.2.4. does not re-occur during any prior 12-month period, then effective the first day of the following month the Replacement CD will be established as the higher of the Initial CD or highest daily volume during the MDWQ period that falls within the previous twelve months. In no instance shall the Replacement CD be based upon usage occurring before the effective date of the customer's Agreement.

3.4. RATES

3.4.1. Each customer receiving service under this rate schedule, other than small commercial firm sales service customers historically qualifying under the Part 3.1.2. aggregation provision, shall be charged the sum of (a), (b), (c) and (d) as follows:

(a) Distribution Customer Charge - \$290.00 per month. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service.

(b) Distribution Demand Charge per MMBtu of CD per month:

(i) \$6.1730 per MMBtu of CD up to 400 MMBtu of CD plus, if applicable (ii) \$0.9538

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per MMBtu of CD over 400 MMBtu of CD. (c) Distribution Rate - All MMBtu consumed at \$0.02860 per MMBtu. (d) Gas Supply Rate Rider : (i) SSO - The Gas Supply Rate will be calculated and adjusted periodically as defined in the Company's Gas Supply Rate Rider. (ii) TSO - The customer will provide the appropriate LUFG-in-Kind as described in the Company's Gas Supply Rate Rider. Volumes provided as LUFG-in-Kind will not be considered in the calculation of Capacity Demand and shall not be subject to Distribution Charges. 3.4.2. Monthly charges applicable to customers under the TSO described in Part 3.1.3. of this rate schedule, including small commercial firm sales service customers historically qualifying under the Part 3.1.2. aggregation provision of this rate schedule or qualifying for transportation under the SCS rate schedule, are as follows: (a) Contract Administration Fees: TSO - \$350.00 per month. 3.5. MINIMUM CHARGE The sum of (a), (b), and (c) if applicable: (a) Distribution Customer Charge - \$290.00 per month. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service. (b) Distribution Demand Charge - per MMBtu of CD per month: (i) \$6.1730 per MMBtu of CD up to 400 MMBtu of CD plus, if applicable (ii) \$0.9538 per MMBtu of CD over 400 MMBtu of CD (c) Contract Administration Fee - TSO - \$350.00 per month. 3.6. TELEMETERING EQUIPMENT 3.6.1. Telemetry is required under the TSO described in Part 3.1.3. of this rate schedule, including customers qualifying under Part 3.1.2. of the aggregation provision of this rate schedule. If Company does not have telemetry at customer's point of delivery, upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at customer's point of delivery. Customer will reimburse Company for the full, installed cost of such telemetry. 3.6.2. Customer shall be responsible for installing and maintaining telecommunications lines. Should customer fail to maintain or repair telecommunications lines required to communicate with telemetry equipment, Company shall have the right to bill customer all labor and expense required to manually read the meter, at whatever intervals the Company may deem necessary. 3.7. RIDERS 3.7.1 In addition to the Gas Supply Rate Rider, the following riders are applicable to service under this rate schedule: Rider

|                          |                                |                      |        |
|--------------------------|--------------------------------|----------------------|--------|
| Customer Bills           | MRP Main Replacement Program   | Base Rate Adjustment | TA     |
| Municipal Tax Adjustment | Municipal Franchise Adjustment | EECR Energy          |        |
| Efficiency Cost Recovery | Energy Efficiency Cost Rate    | Rider                | 3.7.2. |

Service will be rendered under this rate schedule until service is discontinued to customer, the customer qualifies for service under the small commercial firm sales service rate schedule, or the schedule is superseded. 3.8. RULES AND REGULATIONS GOVERNING UTILITY SERVICE 3.8.1. The Commission's Special Rules of Practice and Procedure and Substantive Rules and the Company's Standard Rules and Regulations, as the same may from time to time be changed in accordance with the law, shall be applicable to service under this rate schedule. 3.9. BILLING AND PAYMENT 3.9.1. Customer's bills will be based on capacity demand and the quantity of MMBtu's delivered to customer at the delivery point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within fourteen (14) days after the date the bill is mailed. Company shall have the right to bill customer each month hereunder on the basis of nominated quantities or estimated quantities, provided that adjustments shall be made to such quantities in subsequent months' billings based on actual quantities delivered. Amounts past due hereunder shall bear interest from the due date until paid at the maximum lawful rate. The Company shall not discontinue service to customer for violation of its rates and policies

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nor for non-payment of bills, without first having diligently tried to induce the customer to comply with its rates and policies, or to pay amounts due the Company. Company may suspend service to customer after written notice shall have been given to the customer by the Company in the manner provided for in the Commission's Rules. Company may require as a condition of recommencement or continuation of service the maximum refundable deposit or bond allowed by the Commission to secure payment of bills. Interest at such rates as are required by the Commission shall be paid on any such deposit amount. 3.10. DEFINITIONS 3.10.1. The following terms when used herein shall be construed to have the following meaning, except where the context of their use clearly indicates another meaning: 3.10.2. The term Large Volume Commercial Customer Agreement (Agreement) shall mean a written and fully executed agreement between Company and customer which provides for service under the applicable supply option of this rate schedule. 3.10.3. The term customer shall mean the party so identified in the Agreement, or its designee. 3.10.4. The term day or daily shall mean a period of twenty-four (24) consecutive hours, beginning and ending as near as practicable to 9:00 a.m., Central Standard Time, at the point at which delivery of gas is made. 3.10.5. The term month, Service Month, or monthly shall mean the period beginning at or as near as practicable to 9:00 a.m., Central Standard Time, on the first day of the calendar month and ending as near as practicable to 9:00 a.m. on the first day of the next succeeding calendar month. 3.10.6. The term year or service year shall mean a period of three hundred sixty-five (365) consecutive days beginning on the date specified in the Agreement for the commencement of the term of service or any anniversary thereof; provided, however, that any year which contains a date of February 29, shall consist of three hundred sixty-six (366) consecutive days. 3.10.7. The term cubic foot shall mean the volume of gas which occupies one (1) cubic foot when said gas is at a temperature of sixty degrees (60 degrees) Fahrenheit, and at a pressure of 14.73 pounds per square inch absolute. 3.10.8. The term Mcf shall mean one thousand (1,000) cubic feet of gas. 3.10.9. The term Btu shall mean British Thermal Unit. 3.10.10. The term MMBtu shall mean one million (1,000,000) Btu's. 3.10.11. The term gas supply as it relates to purchased gas costs shall mean the charge for the product known as natural gas, and does not include any charges associated with delivery of the product by Company or any supplier pipeline of the Company. 3.10.12. The term balancing shall mean the service provided by Company when quantities of gas received by Company at the Point(s) of Receipt differ at any time from the quantities of gas delivered by Company at the Point(s) of Delivery under the Agreement. 3.10.13. The term Maximum Daily Quantity or MDQ shall mean the total maximum MMBtu which Company shall be obligated to receive or deliver on a firm basis on any given day on behalf of customer. The contractual Maximum Daily Winter Quantity (MDWQ) shall be controlling during the period from November through March each year and the Maximum Daily Summer Quantity (MDSQ) shall be controlling during the period from April through October each year. 3.10.14. The term Point(s) of Receipt shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of customer. 3.10.15. The term Point(s) of Delivery shall mean the point or points specified in the Agreement where Company agrees to deliver gas transported for the account of customer. 3.10.16. The term imbalance shall mean the difference in the MMBtu's of natural gas which customer takes at the Point(s) of Delivery and the MMBtu's which customer provides for transportation at the Point(s) of Receipt. 3.10.17. The term Annual Volume Limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver on a firm basis during the contract year consisting of twelve

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consecutive billing periods. 3.10.18. The term Maximum Hourly Quantity or MHQ shall mean the maximum MMBtu Company is obligated to deliver or receive for customer's account in any single hour. Company shall not be obligated to agree to a maximum hourly quantity greater than 1/15 of MDQ, MDWQ or MDSQ. 3.10.19. The term Initial CD shall mean the higher of the annual volume limitation AVL or the Maximum Daily Winter Quantity MDWQ. The Initial CD shall be negotiated by the Company and the customer. 3.10.20. The term Initial Maximum Daily Winter Quantity shall mean the Maximum Daily Winter Quantity MDWQ reflected on the initial Exhibit A to the Large Volume Commercial Customer Agreement. 3.10.21. The term Initial Maximum Daily Summer Quantity shall mean the Maximum Daily Summer Quantity MDSQ reflected on the initial Exhibit A to the Large Volume Commercial Customer Agreement. 3.10.22. The term Replacement CD shall mean a daily volume higher than the Initial CD, that is substituted and used as a CD pursuant to Part 3.2.4. 3.10.23. The term Replacement Maximum Daily Winter Quantity shall mean the Maximum Daily Winter Quantity MDWQ reflected on the revised Exhibit A to the Large Volume Commercial Customer Agreement. 3.10.24. The term Replacement Maximum Daily Summer Quantity shall mean the Maximum Daily Summer Quantity MDSQ reflected on the revised Exhibit A to the Large Volume Commercial Customer Agreement. 3.10.25. The term Inside FERC CEGT-East First-of-the-Month Index, or CEGT Index, shall mean, for any delivery month in which Inside FERC fails to report an CEGT Index, the Inside FERC Henry Hub First-of-the-Month Index (Henry Hub Index), adjusted to reflect a variance between the two indices. The variance shall be the average of the difference between the Henry Hub Index and the CEGT Index for the two most recent months in which both indices were published by Inside FERC. CEGT refers to CenterPoint Energy Gas Transmission.

3.11. GOVERNMENTAL REGULATIONS 3.11.1. Service hereunder shall be subject to all relevant present and future local, state and federal laws and all rules, regulations and orders of regulatory authorities having jurisdiction over any of the parties, as applicable, and the obligations of all parties hereunder are subject to obtaining whatever regulatory approvals and authorizations are necessary for the lawful implementation of the Agreement, on continuing conditions satisfactory to the party affected. Customer shall cooperate with the Company by providing promptly all information and in making whatever reports or filings are necessary in regard to service rendered under this rate schedule. Neither party shall be held in default for failure to perform hereunder if such failure is due to good faith compliance with the requirements of any such laws, orders, rules and regulations. Should any governmental body having jurisdiction impose on the Company or the services provided hereunder or otherwise require service hereunder on terms and conditions that are unacceptable to Company, in its sole discretion, then Company may terminate service hereunder at any time thereafter upon notice to customer. Customer shall also reimburse Company, or cause Company to be reimbursed, for any fees, taxes (other than income and property taxes) or other charges levied or paid by Company to any governmental authorities in connection with or attributable to the services provided hereunder.

3.12. MEASUREMENT 3.12.1. Except as may be otherwise provided elsewhere herein or required by law, the measurement and testing of gas received and delivered hereunder shall be done by Company, or its designee, as measuring party in accordance with the following: 3.12.2. The gas received by Company hereunder shall be measured as follows: 3.12.2.A. The unit of volume shall be 1,000 cubic feet of gas (Mcf) at a temperature base of 60 degrees Fahrenheit and at a pressure base of 14.73 pounds per square inch absolute. Whenever the actual conditions of pressure and temperature of the particular gas stream being measured differ from the above standard, conversion of the volume from

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such actual conditions to the above standard conditions shall be made in accordance with the Ideal Gas Laws corrected for super-compressibility in accordance with the method customarily used by the measuring party. 3.12.2.B. Measurements of gas shall always be in accordance with requirements of law, and if the procedures, bases, or standards herein contemplated to be used in the determination of gas volumes are changed by law or regulatory action, the applicable rates shall be appropriately modified and adjusted to the extent necessary to the end that calculations to determine sums of money due hereunder after the change will reach the same end result in dollars and cents as would have been reached in the absence of such change. 3.12.2.C. The temperature of the gas at each point of receipt shall be (i) determined by a recording thermometer, (ii) determined by taking the average of the daily readings of an indicating thermometer, or (iii) assumed by mutual agreement to be 60 degrees Fahrenheit, provided that, if a recording thermometer is not being used, customer shall have the right, by reimbursing the cost of the equipment and its installation, to require the use of a recording thermometer. The Btu content of the gas per cubic foot shall be determined on a dry basis in accordance with good engineering practice in a manner reasonably calculated to result in a fair and accurate determination. 3.12.2.D. The specific gravity of the gas shall be determined in accordance with good engineering practice as often as found necessary in operation. 3.12.2.E. Standard type measuring and testing equipment necessary to measure and determine quantities hereunder shall be installed, operated and maintained in a workmanlike manner. Readings, calibrations, tests, repairs and adjustments of said equipment, and changing of charts, shall be done only by employees or agents of measuring party and in accordance with good engineering practice as often as found necessary in operation. Orifice meters, if used, shall be installed and operated, and volumes computed, in accordance with the latest version of the American Gas Association Gas Measurement Committee Report and Appendices thereto, and such amendments thereof as measuring party may place in use on its system for transactions of this type. Customer shall have access to the measuring and testing equipment at reasonable times, and shall have the right to have a representative present at tests, calibrations and adjustments thereof. Upon request by customer for a special test of any meter or auxiliary equipment, the accuracy of same shall be verified promptly, provided that the cost of such special test shall be borne by customer unless the percentage of inaccuracy is found to be more than two percent (2%), then previous readings shall be corrected to zero error for the period of time during which the equipment was known to be inaccurate, or if not known then to the shorter of six (6) months or the last date that the meter was tested; if said total inaccuracy is not more than two percent (2%), then previous reading shall be considered correct but the equipment shall be adjusted to read correctly. Measuring party shall not be required to verify the accuracy of such equipment more than once in any 90-day period, unless customer has a specific and verifiable reason to believe that the equipment is inaccurate by more than 2%. 3.12.2.F. If any meter or auxiliary equipment is out of service or out for repair for a period of time so that the quantity of gas delivered cannot be ascertained or computed from the reading thereof, then the quantity delivered during such period shall be estimated upon the basis of the best data available, using the first of the following methods which is feasible: (i) by correcting the error if the percentage of error is ascertainable by calibration, test, or mathematical calculations; (ii) by using the registration of any check equipment installed and accurately registering, or (iii) by estimating the volume on the basis of deliveries during preceding periods under similar conditions when the equipment was

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registering accurately. 3.12.2.G. Upon request, measurement charts and records shall be submitted to customer for examination, the same to be returned within twenty (20) days. The measurement charts and records for a given accounting month shall be conclusively presumed correct if no written objection thereto is served on Company within the 12-month period following the given accounting month. All test data, meter charts and similar records shall be preserved for a period of at least one (1) year. 3.12.2.H. The formal measurement and testing of gas hereunder shall only be by the equipment operated by measuring party, but customer may install, operate and maintain, at customer's own cost, risk and expense and in the same manner as is required for the primary equipment hereunder, check measuring and testing equipment of standard type, provided that the same does not interfere with the operation of the primary equipment. Company shall have the same rights with respect to check equipment as customer has with respect to the primary equipment. 3.12.2.I. If Company causes any or all of the foregoing measurements and testing procedures to be done by a third-party designee, then in such event: 3.12.2.I(1) Customer's rights hereunder with respect to the third-party's equipment and procedures will be subject to reasonable arrangements by Company with such third party; and 3.12.2.I(2) If the third party's usual and customary procedures differ in particular respects from the detailed procedures set out above, then the third-party's procedures, and measured quantities resulting therefrom shall be acceptable and used hereunder so long as they are consistent with good engineering practice in the industry. 3.12.2.J. The gas delivered by Company to customer after transportation shall be measured in the same manner as are volumes sold by Company to customers of similar size as customer under Company's sales rate schedules. 3.12.2.K. Volume measured in Mcf will be subject to thermal adjustment and billed in MMBtu as measured on a dry basis. Delivered volumes will be adjusted by the appropriate thermal content factor obtained from the nearest available chromatograph or sampling location. The formula for conversion from Mcf to MMBtu is as follows:  $Mcf \times \text{thermal content factor} = MMBtu$ .

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Large Commercial Firm Service (LCS-1 Continued) 3.13. FORCE MAJEURE 3.13.1. Neither customer nor Company shall be liable to the other for failure to perform their respective obligations under the Agreement (other than to make any and all payments thereunder) due to acts or conditions beyond the reasonable control of the parties affected. The obligations of the affected party to perform shall be suspended so long as and to the extent that performance is prevented by the occurrence of such acts or conditions. Such acts or conditions shall be deemed to include, but not be limited to, fire, labor disputes, acts of God, the elements, wars, epidemics, riots, civil disturbances, explosions, breakdown of equipment, test and repairs of pipeline facilities, freezing of wells or pipelines, requirements of local, state or federal authorities, failure of any intermediate transporters relied upon by Company to transport the gas for any reason, failure of appropriate regulatory approvals or lack of sufficient capacity, the inability of Company to obtain or maintain such regulatory authorizations as may be necessary for the lawful performance of the service contemplated hereby on continuing conditions satisfactory to Company, the curtailment of service by Company in accordance with Company's curtailment plan as effective from time to time, failure of gas supply and any other cause, similar or dissimilar, not within the reasonable control of the party claiming relief. The party affected shall notify the other promptly and shall remedy the cause of suspension with reasonable diligence, retaining to such party unqualified discretion in settling labor disputes. 3.14. OPERATING INFORMATION AND FORECASTS 3.14.1. Customer, upon request, shall furnish or cause to



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be furnished to Company from time to time such reasonable data as in Company's judgment is necessary for the proper analysis of the daily and annual gas load requirements of customer for this service. Customer at all times shall keep Company informed of anticipated significant changes in the size and character of such load requirements. 3.15. USE 3.15.1. All gas delivered to customer under the Agreement shall be for customer's own use and shall not be resold. 3.16. NON-SYSTEM SUPPLY: TERMS AND CONDITIONS 3.16.1. Customer transactions operating under the SSO described in Part 3.1.3. of this rate schedule shall be governed by Company's other generally applicable rates and policies. The operating terms and conditions of service provided hereinafter, in addition to the Company's other generally applicable rates and policies not consistent therewith, shall apply to customer transactions under the TSO of this rate schedule. 3.17. NOTICES 3.17.1. Notices, requests, demands, statements, or bills provided for under this rate schedule and the Agreement (other than those related to nomination, scheduling and other operational issues having immediate operational consequence and requiring shorter notice that either Company or customer may desire to give the other, as provided for under Part 3.32.1.) shall be in writing and if delivered shall be considered as duly delivered when mailed by registered or certified mail to the post office address of Company or customer as indicated in the Agreement, or at such other address as either shall designate by formal written notice to the other. Routine, non-operational communications, including monthly statements and payments if received, shall be considered as duly delivered when mailed by either registered, certified or ordinary mail. 3.18. RECEIPT OF GAS FOR TRANSPORT 3.18.1. The customer must tender the gas for transportation hereunder at a mutually agreeable point or points as specified in the Agreement at whatever pressure is necessary to effect deliveries of the gas against the fluctuating working pressures maintained in Company's system at that point from time to time. Company will not be obligated to accept any gas into such system for transportation that does not meet the quality specifications required to be met by Company's suppliers when delivering gas to Company for sales to Company's customers. 3.18.2. Company will be responsible for installing and operating the necessary tap and measurement facilities at each point of receipt to receive and measure the gas delivered for transportation hereunder. If Company agrees to provide new or additional facilities to perform the services requested by customer, upon Company's request, customer shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 3.19. DELIVERY OF GAS BY COMPANY AFTER TRANSPORTATION 3.19.1. Except as may be otherwise specified elsewhere herein, the gas shall be tendered for delivery after transportation at the working pressures maintained from time to time by the delivering party at the designated point of delivery as specified in the Agreement from time to time. It is recognized that the gas delivered to customer after transportation will not be the same gas that Company received for transportation, but that the gas delivered after transportation will meet the quality specifications applicable to gas that Company sells on its system from its general system supply. Company will use its best efforts consistent with the prudent operation of its system to deliver gas meeting such specifications but shall not be liable in damages for failure to do so. If the gas tendered by Company fails at any time to conform to any of said specifications, then customer shall notify Company of such deficiency and thereupon may, at customer's option, refuse to accept delivery pending correction by Company. 3.19.2. The point where responsibility for the gas shall pass to customer after transportation shall be at the outlet of the delivery facilities at the designated

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point of delivery. Customer shall provide reasonable access to the premises at the point of delivery for any purpose connected with this service. 3.19.3. Company shall install, operate and maintain whatever facilities are necessary to deliver the gas at the point or points of delivery hereunder and shall indemnify customer and hold it harmless from and against any and all claims, actions, suits, damages, liabilities, penalties, costs and expenses arising out of use, possession or presence of the gas before it passes the point of delivery. If Company agrees to provide new or additional facilities to perform services requested by customer, upon Company's request, customer shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 3.19.4. Customer shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize the gas at and beyond the point of delivery hereunder, and shall indemnify Company and hold it harmless from and against any and all claims, actions, suits, damages, liabilities, penalties, costs and expenses arising out of the use, possession, or presence of the gas at and after it passes the point of delivery. 3.19.5. If the services of one or more other transporters are necessary for Company to provide the service herein contemplated, Company's obligations hereunder shall be subject to the availability of such services by others on continuing terms and conditions acceptable to Company, and in such event, customer agrees that Company may act as agent for customer in arranging for such services, including execution of the necessary agreements therefore and administering same, and arranging and confirming capacity release transactions necessary to facilitate the transaction, provided that, unless otherwise provided elsewhere, any costs and/or charges or penalties associated with such services by a third party to the point of delivery hereunder shall be borne by customer. 3.20. SCHEDULING AND NOMINATIONS 3.20.1. Nominations for gas flow shall be submitted by customer to Company no later than 10:00 a.m. Central Standard Time the day prior to gas flow; provided however, if a change in the nomination level is desired on a weekend or Company holiday, then nominations shall be submitted by customer to Company no later than 10:00 a.m. Central Standard Time the last business day immediately prior to such weekend or holiday. Nominations shall be submitted via the Company's internet based nomination system. Company and customer may agree on other means of submitting nominations from time to time. Nomination quantities shall be expressed in MMBtu. Company shall not be required to confirm a nomination that is: (A) inconsistent with the recently observed deliveries and projected deliveries for the Service Month; or (B) higher than the MDWQ or MDSQ in the applicable season; or (C) not confirmed by the upstream pipeline. For these purposes, the projected deliveries for the Service Month shall be equal to the arithmetic average of the number of observed deliveries within the Service Month to date multiplied by the number of days in the Service Month. Once a nomination is made and confirmed by the Company, that nomination will remain in effect through the end of the month or until changed by the customer. Company shall confirm nominated volume to Pipeline. 3.20.2. Company will require customer to comply with the scheduling and nominating procedures as set forth in customer's upstream pipeline supplier's transportation tariffs as on file with and approved by the Federal Energy Regulatory Commission. Customer shall be liable for and shall compensate Company for any costs imposed upon Company as a result of customer's scheduling and nomination deviations or non-compliance. 3.21. BALANCING 3.21.1. General Intent: These balancing provisions are in recognition of the fact that Company's upstream transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system

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supply. 3.21.1.A. SSO transactions are allocated costs associated with the Company's upstream transportation, storage and no-notice service capacity. Therefore, SSO transactions have defined relative rights to those upstream services. 3.21.1.B. TSO transactions are not allocated any costs associated with the Company's upstream transportation, storage and no-notice services or associated capacity. Therefore, TSO transactions carry no explicit or implicit right to make use of the Company's upstream services or associated capacity. 3.21.2. [Reserved.] 3.21.3. [Reserved.] 3.21.4. Company shall make available electronically daily imbalance information which shall notify customer of any imbalance under an Agreement in the current Service Month, based on the best information then available to Company, including, but not limited to data such as nominations, allocations, electronic measurement data, and meter observations. The provision of such information shall not relieve customer of its obligations under this tariff to avoid, correct or eliminate actual imbalances. 3.21.5. Customers shall make a good faith effort to: (i) conform their takes each day at delivery points with their deliveries to Company at receipt points on the same day and thereby minimize imbalances; and (ii) to correct any such imbalances as soon as practical. Company shall monitor the accumulation of daily imbalances by customer and shall have the right to take corrective action pursuant to this tariff, as required, to eliminate customer encroachment upon upstream transportation, storage, or no-notice service capacity held by Company for general system supply. 3.21.5.A. A Critical Period Event may be called for operational purposes relating to a physical event causing or threatening a system failure and/or existence of an Operational Flow Order (OFO) on the upstream pipeline. Additionally, the Company's declaration of a Critical Period Event will be location-specific, when possible, and the Company is not required to apply the Critical Period Event where corrective action would not be curative of the critical situation. A Critical Period Event declared for economic purposes shall be applicable only to customers with an annual average customer delivery of 100 MMBtu or less. Critical Period Events declared for economic purposes may be declared only on days when the Gas Daily price differs by more than \$.50 per MMBtu from the Inside FERC CEGT-East First-of-the-Month Index. The Company shall notify affected customers verbally of the critical situation and customers shall have a minimum of twenty-four (24) hours to bring receipts and deliveries into balance, or other longer time periods as deemed applicable by the Company. If, after the specified notice period indicated in Company's notice to customer of critical situation, customer has not balanced receipts and deliveries, Company shall have the right to balance deliveries and receipts. Company shall not be obligated to redeliver a greater volume of gas to the point of delivery than it received at the point of receipt for customer's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the critical situation no longer exists. An imbalance that occurs during such critical situation, after the expiration of the notice period, may not be carried forward for clearing during the month, but instead may, at the Company's option, be cashed out based on the Critical Period Price. (i) The Critical Period Price shall be the applicable regional posting for the upstream pipeline expressed in (\$/MMBtu) for the day of delivery as found in the publication Gas Daily under the heading Daily Price Survey and under the subheading Midpoint. If Gas Daily fails to publish this information for the upstream pipeline for the day of delivery, then the Critical Period Price shall be based upon the same information published by Gas Daily in regard to Henry Hub for the day of delivery, adjusted to reflect the variance between the most recently published monthly indices for the applicable upstream

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pipeline and Henry Hub. (ii) If, on any day during a critical situation, after the expiration of the notice period, customer delivers to Company volumes of gas that are greater than customer's gas requirements at the point of delivery then Company can purchase such over-delivered volumes at the point of delivery from customer at the following rates per MMBtu. The first 6% of over-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 6% will be cashed out at a rate equal to 50% of the Critical Period Price. (iii) If, on any day during a critical situation, after the expiration of the notice period, customer delivers to Company volumes of gas that are less than customer's gas requirements at the point of delivery, then Company may require customer to purchase such deficiency at the point of delivery from Company at the following rates per MMBtu. The first 6% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 6% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. (iv) Any Critical Period imbalance incurred of 10 MMBtu or less shall not be subject to Critical Period cash-out pricing. Such imbalances will be deferred until the end of the month, and will be cashed out in accordance with the terms of Part 3.21.8. (v) Company shall make a reasonable effort to provide 24 hours' notice of the issuance of a CPE. Upon issuance of notice of a CPE, Company will allow shipper to submit revised nominations to the extent permitted by the upstream pipeline declaring an OFO, in an attempt to minimize imbalance activity on the Company's system. During any CPE, Company shall remain obligated to deliver all natural gas supplies that it receives on behalf of each individual shipper. 3.21.5.B. For any multi-day period measured from the beginning of the first day of the Month where a cumulative imbalance is equal to or greater than 6% of the projected deliveries for the Service Month, Company may at its option, eliminate, through an intra-month cash-out action, all or part of said cumulative imbalance. For these purposes, the projected deliveries for the Service Month shall be equal to the arithmetic average of the number of observed deliveries within the Service Month to date multiplied by the number days in the Service Month. The cash-out price applicable to such intra-month cash-out transactions for cash out quantities that are 3% or less of deliveries shall be equal to 75% of the Critical Period Price for cash-out purchases by Company from customer and 125% of Critical Period Price for cash-out purchases required of customer from Company. The cash-out price applicable to such intra-month cash-out transactions for cash out quantities that are in excess of 3% of deliveries shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from customer and 150% of Critical Period Price for cash-out purchases required of customer from Company. The Company shall give a two-day warning before penalties are imposed. 3.21.6. Company shall not be obligated under any circumstances: (i) to deliver more gas to customer during any given day or month than it shall have received for the account of customer during said period ; or (ii) to receive or deliver during any given Day a total quantity of gas in excess of the MDWQ or MDSQ as applicable. 3.21.7. Customer will be responsible for its allocable share of any incremental costs associated with Company's upstream transportation, storage, or no-notice services attributable to nomination and scheduling activities of customer, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve customer of its obligations under this rate schedule or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 3.21.8. At the end of each Service Month, remaining customer Imbalances to the extent the receipts do not equal

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deliveries under customer's Agreement shall be cashed out. To the extent customer owes natural gas volumes to Company (deliveries exceeded receipts) customer will purchase said volumes at the applicable cash-out price described below. To the extent Company owes natural gas volumes to customer (receipts exceeded deliveries), Company will purchase said volumes at the applicable cash-out price described below. Overage Underage Imbalance Level The Company Pays Customer Customer Pays the Company From 0% to 5% 100% 100% From 5% to 10% 80% 120% From 10% to 15% 70% 130% From 15% to 20% 60% 140% Greater than 20% 50% 150% Overages in all tiers will be priced, using the applicable percentage, at the lesser of: Inside FERC CEGT-East First-of-the-Month Index or the Company's Commodity Cost component. Underages in all tiers will be priced, using the applicable percentage, at the greater of: Inside FERC CEGT-East First-of-the-Month Index or the Company's Commodity Cost component under the Gas Supply Rate Rider. 3.21.9. The imbalances incurred due to customers' reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range for the determination of the applicable cash-out price. 3.22. PREDETERMINED ALLOCATION 3.22.1. Should customer elect service under this rate schedule under more than one of the two supply options, such that gas delivered by Company at any single delivery point will involve supply under more than one of the two options, Company and customer shall enter into a Predetermined Allocation Agreement (PDA) in the form appended to this rate schedule. This PDA will establish the allocation of deliveries, which can be relied upon by either party in the conduct and performance under the Agreement. The method of allocation can be: (i) ranked (order through the meter); (ii) pro rata; (iii) fixed percentage; (iv) swing; or (v) any other method to which both Company and customer agree. Each PDA shall be effective for at least one Service Month and shall remain in effect until superseded by a new PDA. 3.23. POOLING SERVICE 3.23.1 The Company shall make Pooling Service available to any party (hereinafter referred to as Pool Manager) that requests Pooling Service from Company when: (i) Company has received, reviewed and accepted a credit application from Pool Manager, and Pool Manager has been deemed creditworthy. (ii) Company and Pool Manager have executed a Pooling Service Agreement in the form acceptable to Company. (iii) Pool Manager has submitted formal documentation of agency for customers subject to aggregation under this service. (iv) Pool Manager complies with all applicable provisions of this rate schedule. Pooling service shall be available subject to capacity constraints and operational conditions. Company reserves the right to require the Pool Manager to deliver supply adequate to meet the requirements of the customers served by the Pool Manager. 3.23.2. Pooling shall consist of the aggregation of the Receipt Point(s) available to customers subject to the Pooling Service Agreement and deliveries made at Delivery Point(s) delivered subject to the Pooling Service Agreement. The Pool Manager, having documented agency authority, shall submit nominations and allocation information for all customers subject to the Pooling Service Agreement, to Company, in accordance with Part 3.20. Company shall not have any liability to a Pool Manager or customer as a result of Company's reliance on the performance of Pool Manager. 3.23.3. Imbalances in a Pool will be calculated by determining the difference between total aggregated receipts into the Pool and the total deliveries allocated out of the Pool to end users. Imbalance tolerances outlined in Part 3.21.5.A., 3.21.5.B. and 3.21.8. shall apply to the aggregated imbalance total, unless and until Pooling rights are interrupted for a specified period. 3.23.4. Imbalances incurred subject to Parts 3.21.5.A., 3.21.5.B. and 3.21.8. will be billed as specified in the Pooling Service Agreement. In the event that the Pool Manager

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fails to pay invoices, customer will remain liable for payment of all charges, as acknowledged in the Pooling Service Agreement. Should Pool Manager fail to pay invoices calculated at the aggregated level, upon default to the individual customer invoice, the invoice shall be recalculated at the individual customer level, without benefit of the aggregated tolerance. 3.23.5. Pooling Service Agreements and Agency Agreements, and changes thereto, shall become effective on the first day of the month provided that the Company receives such Agreements, or changes thereto, at least five (5) business days before the first day of the month. 3.24. WARRANTY OF TITLE 3.24.1. Customer shall have title to and shall warrant its title to all gas delivered to Company under the TSO of this rate schedule, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Customer shall indemnify Company against all suits, actions, debts, accounts and damages arising out of any adverse claims to, against or in respect of such gas. Customer shall also indemnify Company and hold it harmless from and against any and all claims, actions, suits, costs, liabilities and expenses caused by or arising out of possession or presence of such gas before it is delivered into Company's facilities. Customers entering into Agreements as specified in Part 3.1.1. shall have the right to deliver volume for redelivery, available exclusively for customers' own use. Such delivery rights shall not be resold to or shared with third parties. 3.25. ASSIGNMENT 3.25.1. Customer shall not assign the Agreement in whole or in part, nor shall customer agree to provide services to others by use of any capacity contracted for under the Agreement, without Company's prior written consent. In addition to all other rights and remedies, Company may terminate the Agreement immediately if it is assigned by customer or if customer subcontracts its transportation capacity to others without such prior consent, whether the assignment be voluntary or by operation of law or otherwise. Subject to the above, the respective rights and obligations of the parties under the Agreement shall extend to and be binding upon their heirs, successors, assigns and legal representatives. 3.26. TRANSPORTATION REGULATIONS 3.26.1. With regard to all aspects of the transportation service, it is recognized that Company operates a local distribution system, and, accordingly, all provisions hereof having to do with transportation of gas and the charge therefore, including Company's obligation to transport gas at all, are subject and subordinate to the provisions of any certificates and rate schedules issued by or filed with the Commission or successor authority, as well as any and all local, state and federal laws, orders, rules and regulations, to the extent applicable to the transportation of gas by Company, as contemplated hereby. To the extent that any local, state or federal authorization and/or approval is required to provide such transportation service, Company will proceed with due diligence to seek to obtain same as and when necessary in such manner as Company considers to be appropriate, provided that due diligence will not obligate Company to accept conditions or rates otherwise unacceptable to Company. 3.27. UNACCEPTABLE QUANTITIES 3.27.1. Company shall have the right to refuse at any time, and from time to time, to receive at any receipt point or to deliver at any delivery point a quantity of gas that Company determines, in its reasonable judgment, to be unduly burdensome from an operating or administrative standpoint. 3.28. LIMITATION OF LIABILITY 3.28.1. In no event shall Company be liable (in contract or in tort, including actions based on claims of negligence) to customer or any other claimant for special, indirect, incidental, or consequential damages, including, but not limited to, lost profits and any part of the expense incurred in securing alternative services which exceeds the amount customer would have paid hereunder, resulting from Company's performance, nonperformance or delay in

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performing its obligations hereunder. 3.29. FACILITIES POLICY 3.29.1. Unless otherwise provided by Company's rates and policies or the applicable Agreement, when gas is connected to a new facility, customer will reimburse Company the cost of all facilities necessary to effect receipts or deliveries within thirty (30) days after receipt of Company's statement following completion of installation. This payment shall be non-refundable and accounted for by Company as a Contribution in Aid of Construction. The term facilities includes the pipeline, the connecting meter run, separator, regulator and all related facilities necessary to receive or deliver the gas in accordance with the provisions hereof. The term cost includes the cost of pipe, materials, equipment and other facilities, cost of right of way, and cost of installation and other related costs. Customer's payment to Company under this paragraph shall not operate to give customer any right, title or interest, in or to Company's facilities installed for the service and Company's said facilities shall be and remain the sole property of Company. 3.30. SALES SERVICE 3.30.1. Company shall only be obligated to provide sales service to customer if and to the extent it is purchased and contracted for by customer pursuant to one of Company's filed rate schedules. In those circumstances in which customer elects to purchase sales service offered by Company during periods of full or partial interruption of transportation service by customer's upstream pipeline transporter, customer shall pay Company the total applicable cost of providing such emergency sales service. 3.31. OPERATIONAL NOTICES AND COMMUNICATIONS 3.31.1. Company shall make available scheduling personnel on a twenty-four (24) hour basis. Customer shall provide, and update as necessary, the name, address, and telephone number of an operational contact person or persons who will be available on a twenty-four (24) hour basis to receive or provide communications involving receipts, deliveries, curtailment and for any other purposes relating to customer's service under this rate schedule. Company shall be entitled to rely on such contact person's actions and communications for all purposes and shall have no liability for doing so, and if customer fails to designate such person or such person is unavailable to Company at any time, customer may be liable and shall indemnify and hold Company harmless from and against losses, damages and other expenses which Company or any other person may suffer or for which Company may be liable which are attributable to such failure or unavailability. 3.32. APPENDICES 3.32.1. The following appendices shall apply to both large commercial and small commercial customers under the TSO. For small commercial customers, references to the LCS rate schedule shall be changed to the SCS rate schedule where appropriate.

MRP 2. MAIN REPLACEMENT PROGRAM (MRP) 2.1. The Main Replacement Program (MRP) surcharge shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 2 Main Replacement Program Rider(MRP). 2.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)

PSIF-5 PIPELINE SAFETY INSPECTION FEE  
 Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211.  
  
 The 2014 Pipeline Safety Fee is a one-time customer charge per bill of \$1.04, based on \$1.00 per service line. Collected from April 1, 2014 to April 30, 2014.

TA-I 3. MUNICIPAL TAX ADJUSTMENT CLAUSE (TA) 3.1. The Company will pass on Municipal Taxes to Local Customers by adding to each monthly bill rendered a Local Customer

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as a separate line item identified as Municipal Franchise Adjustment, an amount calculated on an equal-per-meter basis determined in accordance with the following:

3.1.1. As used herein, the term City Tax, or Municipal Tax, refers to any and all privilege, occupation, franchise meter, gross receipts or other tax or assessment of whatever kind and by whatever name (except ad valorem taxes) now and at any time hereafter levied on, the Company by any Municipality. 3.1.2. Municipality refers to the local taxing authority imposing the Municipal Tax, whether city, town, village, unincorporated association, district, county or other authority authorized to impose same under present or future law. 3.1.3. Local Customers refers to any and all residential and general service customers in Texas that are within the geographical boundaries or taxing authority of the Municipality; provided, that if a particular tax ordinance or other act imposing the Municipal Tax includes in its taxing impact any service locations that would otherwise not be considered a Local Customer hereunder, then such service will be included in the term Local Customer.

3.2. Notwithstanding the above, if a particular tax ordinance or other act imposing the Municipal Tax specifies a method of payment of collection other than on an equal-per-meter basis, then the method so specified shall be utilized provided such method results in the collection of taxes from Local Customers equal to the taxes levied on the Company. 3.3. The Company, upon receipt of a certified copy of the approved municipal ordinance will initiate the pass-on of any increase or decrease in taxes subject to this clause beginning with the billing cycle immediately following receipt of the ordinance, and upon the availability of customer billing data necessary to initiate or to revise the calculation of the pass-on. 3.4. If at any time there is a significant change in any of the above determining factors which will cause an unreasonable over or under collection of Municipal Taxes, the Company will adjust the amount collected so that such over or under collection will be minimized. 3.5. APPLICABLE RATE SCHEDULES: Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)

LCS-1C-I

LARGE VOLUME COMMERCIAL CUSTOMER AGREEMENT (System Supply Option) THIS AGREEMENT (the Agreement) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas hereinafter referred to as Company, and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as Customer, WITNESSETH THAT: WHEREAS, Company is a local distribution company; and WHEREAS, Customer owns or operates a facility and has requested natural gas service under Company's Rate Schedule No. 3, Large Commercial Firm Service (hereinafter referred to as LCS-1); NOW THEREFORE, Company agrees to provide the services to Customer as hereinafter set forth and Customer agrees to pay for such services and comply with the provisions hereof, on the following terms and conditions: ARTICLE I SUPPLY OPTION Section 1.1 - Customer has selected the System Supply Option (SSO) under LCS-1 pursuant to which Customer will be delivered natural gas supply designated as general system supply of Company for the term of this Agreement. ARTICLE II TERM Section 2.1 - This Agreement shall remain in force for a primary term beginning \_\_\_\_\_ and ending \_\_\_\_\_, and from year to year thereafter unless terminated by either party by a minimum of sixty (60) days' written notice prior to the end of the primary or any succeeding term. ARTICLE III POINT OF DELIVERY Section 3.1 - Company shall deliver gas to Customer at the outlet of Company's facilities at the Point(s) of Delivery designated on Exhibit A hereto. ARTICLE IV QUANTITIES Section 4.1 - As used



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herein, the following terms shall have the following meanings: Maximum Daily Winter Quantity (MDWQ) shall mean the total maximum MMBtu which Company shall be obligated to deliver on a firm basis on any given day on behalf of Customer during the period November through March of each year. Maximum Daily Summer Quantity (MDSQ) shall mean the total maximum MMBtu which Company shall be obligated to deliver on a firm basis on any given day on behalf of Customer during the period April through October of each year. Maximum Hourly Quantity (MHQ) shall mean the maximum MMBtu Company is obligated to deliver or receive in any single hour. Annual Volume Limitation (AVL) shall mean the total maximum MMBtu which Company shall be obligated to deliver during the contract year, consisting of 12 consecutive billing periods. Section 4.2 - The Maximum Daily Winter Quantity (MDWQ), the Maximum Daily Summer Quantity (MDSQ), the Maximum Hourly Quantity (MHQ) and the Annual Volume Limitation (AVL) applicable to services rendered under this Agreement are set forth on Exhibit A hereto. Section 4.3 - The MDWQ, MDSQ and AVL may be adjusted pursuant to the provisions of Part 3.2.4. of LCS-1. ARTICLE V RATES Section 5.1 - Customer shall pay to Company each month for all services rendered hereunder the charges, fees, surcharges, taxes, penalties, balancing charges, adjustments and assessments provided for in LCS-1 and associated riders, as on file and in effect from time to time. Section 5.2 - The capacity demand (CD) shall be the billing determinant for distribution demand charges and gas supply demand charges. Each individually metered point of delivery shall have a CD equal to the higher of (i) the MDWQ, subject to the maximum quantities provision in LCS-1; (ii) the AVL, subject to the maximum quantities provision in LCS-1, divided by 365. ARTICLE VI MISCELLANEOUS Section 6.1 - Customer represents that it qualifies for service under LCS-1. Section 6.2 - Customer agrees to certify, document and update in writing annually prior to October 1 its human needs requirements and other requirements necessary for the preservation of life, health or physical property, and any material change to the level of said requirements. Section 6.3 - Customer agrees that Company shall have the right at any time and from time to time to file and place into effect unilateral changes or modifications in the rates and charges, and other terms and conditions of service hereunder, in accordance with applicable law. Company agrees that Customer may protest or contest any such charges or modifications. Section 6.4 - Service hereunder shall be in accordance with and subject to, and both parties agree to be bound by, all applicable terms and conditions set forth in LCS-1, as in effect from time to time, which terms and conditions are incorporated herein by reference. Section 6.5 - Customer agrees that, to the extent not already satisfied, Customer shall reimburse Company for the installation of appropriate telemetering equipment to be installed and owned by Company, and that Customer shall install and pay for the corresponding telephone lines acceptable to Company at each meter serving Customer in order to enable Company to accurately monitor Customer's volume usage. Customer shall comply with all necessary and appropriate procedures, as required by Company, pertaining to the installation, reading, monitoring, testing, repair and maintenance of all telemetering and associated equipment. IN WITNESS WHEREOF, the parties have executed this Agreement as of the date hereinabove first written.

COMPANY: CENTERPOINT ENERGY RESOURCES CORP. d/b/a CenterPoint Energy  
 Arkansas Gas By: \_\_\_\_\_ [Name]

[Title] CUSTOMER: \_\_\_\_\_ [Name] [Title] [Address]

EXHIBIT A TO LARGE VOLUME COMMERCIAL CUSTOMER AGREEMENT (SYSTEM SUPPLY OPTION)  
 DELIVERY POINTS Address: \_\_\_\_\_ CA# \_\_\_\_\_ Delivery

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Point(s) For the account of Customer at Customer's Facility located at \_\_\_\_\_, \_\_\_\_\_, Texas \_\_\_\_\_ QUANTITIES  
 Maximum Daily Winter Quantity (MDWQ) \_\_\_\_\_ MMBtu Maximum Daily Summer  
 Quantity (MDSQ) \_\_\_\_\_ MMBtu Maximum Hourly Quantity (MHQ) \_\_\_\_\_ MMBtu  
 Annual Volume Limitation (AVL) \_\_\_\_\_ MMBtu LARGE VOLUME COMMERCIAL CUSTOMER  
 AGREEMENT (Transportation Supply Option) THIS AGREEMENT (the Agreement) is made  
 and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between  
 CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas  
 hereinafter referred to as Company, and \_\_\_\_\_, a  
 \_\_\_\_\_ corporation, hereinafter referred to as Customer, WITNESSETH  
 THAT: WHEREAS, Company is a local distribution company; and WHEREAS, Customer  
 owns or operates a facility and has requested natural gas service under Company's  
 Rate Schedule No. 3, Large Commercial Firm Service (hereinafter referred to as LCS-  
 1 or qualified SCS-1 or SCS-2); NOW THEREFORE, Company agrees to provide the  
 services to Customer as hereinafter set forth and Customer agrees to pay for such  
 services and comply with the provisions hereof, on the following terms and  
 conditions: ARTICLE I SUPPLY OPTION Section 1.1 - Customer has selected the  
 Transportation Supply Option (TSO) under LCS-1 pursuant to which Customer will be  
 delivered natural gas supply received for Customer's account at points of receipt  
 on Company's distribution facilities for the term of this Agreement. If Customer  
 later desires to convert to the Sales Supply Option (SSO), pursuant to which  
 Customer will be delivered natural gas supply designated as general system supply  
 of Company, Customer will be required to contract for such service between the  
 months of February through April preceding the expiration of the primary or any  
 succeeding term of this Agreement. Subject to this requirement, Customer will be  
 allowed to convert to the SSO provided that the Company is able to secure firm  
 upstream capacity and other upstream pipeline services sufficient to meet  
 Customer's needs. Any such conversion will be effective upon the expiration of the  
 term of this Agreement, unless the Company and the Customer agree otherwise.  
 Section 1.2 - If volume usage of meters at business facilities under Customer's  
 common ownership and subject to other commercial rate schedules are aggregated for  
 the sole purpose of qualifying for the TSO under LCS-1, then each individual  
 account shall be treated as a separate account and shall be subject to the same  
 rates and charges under the originating commercial rate schedule(s), in addition to  
 any additional specific rates, charges or adjustment riders peculiar to the TSO  
 under this rate schedule, such as, but not limited to, administrative fees.  
 ARTICLE II TERM Section 2.1 - This Agreement shall remain in force for a primary  
 term beginning \_\_\_\_\_ and ending \_\_\_\_\_, and from year to year  
 thereafter unless terminated by either party by a minimum of sixty (60) days'  
 written notice prior to the end of the primary or any succeeding term. ARTICLE III  
 POINTS OF RECEIPT AND DELIVERY Section 3.1 - Company shall receive gas from  
 Customer at the Point(s) of Receipt designated on Exhibit A hereto and Company  
 shall deliver gas to Customer at the outlet of Company's facilities at the Point(s)  
 of Delivery designated on Exhibit A hereto. ARTICLE IV QUANTITIES Section 4.1 -  
 As used herein, the following terms shall have the following meanings: Maximum  
 Daily Winter Quantity (MDWQ) shall mean the total maximum MMBtu which Company shall  
 be obligated to receive or deliver on a firm basis on any given day on behalf of  
 Customer during the period November through March of each year. Maximum Daily  
 Summer Quantity (MDSQ) shall mean the total maximum MMBtu which Company shall be  
 obligated to receive or deliver on a firm basis on any given day on behalf of  
 Customer during the period April through October of each year. Maximum Hourly

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Quantity (MHQ) shall mean the maximum MMBtu Company is obligated to receive or deliver in any single hour. Annual Volume Limitation (AVL) shall mean the total maximum MMBtu which Company shall be obligated to deliver during the contract year, consisting of 12 consecutive billing periods. Section 4.2 - The Maximum Daily Winter Quantity (MDWQ), the Maximum Daily Summer Quantity (MDSQ), the Maximum Hourly Quantity (MHQ) and the Annual Volume Limitation (AVL) applicable to services rendered under this Agreement are set forth on Exhibit A hereto. Section 4.3 - The MDWQ, MDSQ and AVL may be adjusted pursuant to the provisions of Part 3.2.4. of LCS-1. Section 4.4 - Company shall not be obligated under any circumstances: (i) to deliver more gas to Customer during any given day or month than it shall have received for the account of Customer during said period; or (ii) to receive or deliver during any given Day a total quantity of gas in excess of the MDWQ or MDSQ as applicable. ARTICLE V RATES Section 5.1 - Customer shall pay to Company each month for all services rendered hereunder the charges, fees, surcharges, taxes, penalties, balancing charges, adjustments and assessments provided for in LCS-1 and associated riders, or SCS-1 or SCS-2 and associated riders if subject to the aggregation provision in Part 3.1.2., as on file and in effect from time to time. Section 5.2 - The capacity demand (CD) shall be the billing determinant for distribution demand charges and gas supply demand charges. Each individually metered point of delivery shall have a CD equal to the higher of (i) the MDWQ, subject to the maximum quantities provision in LCS-1; (ii) the AVL, subject to the maximum quantities provision in LCS-1, divided by 365. ARTICLE VI MISCELLANEOUS Section 6.1 - Customer represents that it qualifies for service under LCS-1 or qualified SCS-1 or SCS-2. Section 6.2 - Customer agrees to certify, document and update in writing annually prior to October 1 its human needs requirements and other requirements necessary for the preservation of life, health or physical property, and any material change to the level of said requirements. If Customer has human needs requirements, then Customer agrees to provide the additional certifications if required under Part 3.1.6. of LCS-1. Section 6.3 - Customer agrees that Company shall have the right at any time and from time to time to file and place into effect unilateral changes or modifications in the rates and charges, and other terms and conditions of service hereunder, in accordance with applicable law. Company agrees that Customer may protest or contest any such charges or modifications. Section 6.4 - Service hereunder shall be in accordance with and subject to, and both parties agree to be bound by, all applicable terms and conditions set forth in LCS-1, as in effect from time to time, which terms and conditions are incorporated herein by reference. Section 6.5 - Customer agrees that, to the extent not already satisfied, Customer shall reimburse Company for the installation of appropriate telemetering equipment to be installed and owned by Company, and that Customer shall install and pay for the corresponding telephone lines acceptable to Company at each meter serving Customer in order to enable Company to accurately monitor Customer's volume usage. Customer shall comply with all necessary and appropriate procedures, as required by Company, pertaining to the installation, reading, monitoring, testing, repair and maintenance of all telemetering and associated equipment. IN WITNESS WHEREOF, the parties have executed this Agreement as of the date hereinabove first written.

COMPANY: CENTERPOINT ENERGY RESOURCES CORP. d/b/a CenterPoint Energy Arkansas Gas

By: \_\_\_\_\_ [Name] [Title]

CUSTOMER: \_\_\_\_\_

By: \_\_\_\_\_ [Name] [Title]

[Address] EXHIBIT A TO LARGE VOLUME COMMERCIAL CUSTOMER AGREEMENT (TRANSPORTATION

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SUPPLY OPTION) RECEIPT AND DELIVERY POINTS Address: \_\_\_\_\_  
 CA# \_\_\_\_\_ Receipt Points The gas will be received for Customer's  
 account at the point(s) where the \_\_\_\_\_ (Upstream  
 Pipeline) is interconnected with the distribution facilities of CenterPoint Energy  
 Resources Corp., d/b/a CenterPoint Energy Arkansas Gas at or near  
 \_\_\_\_\_, Texas. Delivery Point(s) For the account of Customer at  
 Customer's Facility located at \_\_\_\_\_, \_\_\_\_\_, Texas  
 \_\_\_\_\_ QUANTITIES Maximum Daily Winter Quantity (MDWQ) \_\_\_\_\_ MMBtu  
 Maximum Daily Summer Quantity (MDSQ) \_\_\_\_\_ MMBtu Maximum Hourly Quantity  
 (MHQ) \_\_\_\_\_ MMBtu Annual Volume Limitation (AVL) \_\_\_\_\_ MMBtu  
 AFFIDAVIT OF HUMAN NEEDS REQUIREMENTS STATE OF TEXAS ) COUNTY OF \_\_\_\_\_ )  
 I, \_\_\_\_\_,  
 (Name) (Title) of \_\_\_\_\_, do hereby affirm and attest  
 to the following facts under either paragraph A or B, as applicable, and  
 furthermore am authorized by the Board of Directors (or, in the event no Board  
 exists, the equivalent governing body) to give the following release and indemnity.  
 ( ) A. I certify that the \_\_\_\_\_ facility located at  
 \_\_\_\_\_, \_\_\_\_\_, has human needs usage  
 requirements of \_\_\_\_\_ MMBtu per day and that we have purchased and will continue  
 to maintain the corresponding level of firm upstream pipeline capacity and upstream  
 gas supply for the entire time period of November 1st through March 31st each year.  
 I authorize CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Arkansas  
 Gas (the Company) to obtain the firm pipeline capacity information directly from  
 the applicable upstream pipeline to ensure both the requisite level of capacity and  
 that it is firm primary delivery point capacity at the appropriate location  
 required to serve my facility. I furthermore certify that I will maintain such  
 firm primary delivery point capacity for each day of the November 1st through March  
 31st time period. If these certified arrangements should not be accurate, however,  
 or if our upstream pipeline capacity or upstream gas supply become insufficient for  
 any reason, I am authorized by the Board of Directors or equivalent governing body  
 to fully release CenterPoint Energy Arkansas Gas and CenterPoint Energy Resources  
 Corp. from any and all claims, lawsuits, damages, costs, expenses, causes of  
 action, and any and all liability associated with the interruption, curtailment,  
 failure or suspension of natural gas service for any period of time. We further  
 indemnify CenterPoint Energy Arkansas Gas and CenterPoint Energy Resources Corp.  
 from any and all claims, causes of action, lawsuits, damages, costs, expenses, and  
 similar liability that might be asserted by third parties as a result of the  
 interruption, curtailment, failure or suspension of natural gas service for any  
 period of time. In the event of any change in circumstances pertaining to our  
 upstream pipeline and upstream gas supply arrangements, I will immediately notify  
 the appropriate person at the Company by sending a certified letter to the  
 Company's Gas Flow Information Center at the following address: CenterPoint Energy  
 Resources Corp. d/b/a CenterPoint Energy Arkansas Gas Gas Flow Information Center  
 525 Milam Street, Room 207 Shreveport, Louisiana 71101 Telephone No.: 1-  
 800-254-4342 Facsimile No.: 1-318-429-3986 ( ) B. I certify that the  
 \_\_\_\_\_ facility located at \_\_\_\_\_,  
 \_\_\_\_\_ has on hand a fully functioning  
 \_\_\_\_\_ back-up energy system (Describe type  
 of back-up system) that can replace natural gas as the energy source for all of the  
 facility's human needs usage requirements. This back-up system is also capable of  
 being a continuing and sustaining source of energy for all of the facility's human

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needs usage requirements. Accordingly, on behalf of the Board of Directors or equivalent governing body, I hereby certify that we do not require firm pipeline capacity and natural gas supplies to meet our facility's human needs usage requirements. We recognize that if all or any portion of our natural gas supply fails to reach the appropriate CenterPoint Energy Arkansas Gas delivery point, our natural gas service may be interrupted or curtailed. We acknowledge that the Company's sole responsibility to us is to redeliver to our facilities such gas supplies as we or our agents physically deliver to the Company's city gate, subject to the curtailment priority schedule (Policy Schedule No. 9) which will not categorize our facility as a human needs customer. In acknowledgement of these facts, should all or any portion of our natural gas supplies fail to reach the appropriate Company city-gate delivery point, I am authorized by the Board of Directors or equivalent governing body to fully release CenterPoint Energy Arkansas Gas and CenterPoint Energy Resources Corp. from any and all claims, lawsuits, damages, costs, expenses, causes of action, and any and all liability associated with the interruption, curtailment, failure or suspension of natural gas service for any period of time. We further indemnify CenterPoint Energy Arkansas Gas and CenterPoint Energy Resources Corp. from any and all claims, causes of action, lawsuits, damages, costs, expenses, and similar liability that might be asserted by third parties as a result of the interruption, curtailment, failure or suspension of natural gas service for any period of time. In the event of any change in circumstances pertaining to our facility's energy backup system, I will immediately notify the appropriate person at the Company by sending a certified letter to the Company's Gas Flow Information Center at the following address: CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas Gas Flow Information Center 525 Milam Street, Room 207 Shreveport, Louisiana 71101 Telephone No.: 1-800-254-4342 Facsimile No.: 1-318-429-3986 In witness whereof, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_.

Affiant

Title Subscribed and sworn to before me

this \_\_\_\_ day of \_\_\_\_\_ (SEAL)

Notary Public My Commission Expires:

PREDETERMINED ALLOCATION AGREEMENT THIS AGREEMENT is made and entered into by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Arkansas Gas (Company) and \_\_\_\_\_ (Customer) effective \_\_\_\_\_.

WHEREAS, Company and Customer are parties to Large Commercial Service Agreements (the Agreements) entered pursuant to Company's Rate Schedule No. 3, Large Commercial Firm Service (hereinafter referred to as LCS-1); and WHEREAS, the Agreements select more than one of the two supply options offered under Part 3.1.3. of LCS-1; and WHEREAS, the parties wish to enter this Predetermined Allocation Agreement. NOW, THEREFORE, pursuant to Part 3.22. of LCS-1, Company and Customer hereby agree as follows: 1. In the event gas received by Company at any single delivery point involves supply under more than one of the two supply options offered under LCS-1, then such deliveries shall be allocated to each service option in the following manner: [Describe allocation method] 2. [other provisions] 3. This Agreement shall be effective for at least one Service Month, and shall remain in effect until superceded by a new Predetermined Allocation Agreement. 4. This Predetermined Allocation Agreement is subject to all applicable terms and conditions set forth in LCS-1, as in effect from time to time, which provisions are incorporated herein by reference. Company: CENTERPOINT ENERGY RESOURCES CORP. d/b/a CenterPoint Energy Arkansas Gas

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DESCRIPTION

By: \_\_\_\_\_ Title Customer:  
By: \_\_\_\_\_

Title POOLING SERVICE AGREEMENT THIS AGREEMENT (the Agreement) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Arkansas Gas hereinafter referred to as Company, and \_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as Pool Manager, WITNESSETH THAT: WHEREAS, Company is a local distribution company; and WHEREAS, Pool Manager has entered into agency agreements with the entities identified on Exhibit A hereto, as the same may be revised from time to time during the term of this Agreement, (hereinafter referred to collectively as Customers) who Pool Manager represents have entered into Large Volume Commercial Customer Agreements, Transportation Supply Option, under Company's Rate Schedule No. 3, Large Commercial Firm Service (hereinafter referred to as LCS-1); and WHEREAS, pursuant to the agency agreements between Pool Manager and Customers, Pool Manager is authorized to act on behalf of Customer's in all respects, including the submission of nominations and allocation information in accordance with LCS-1; and WHEREAS, Pool Manager and Customers desire to avail themselves of the Pooling Service offered by Company pursuant to Part 3.23. of LCS-1. NOW THEREFORE, Company and Pool Manager, acting individually, and as agent for Customers, agree as follows:

ARTICLE I NOMINATIONS AND ALLOCATIONS Section 1.1 - Pool Manager agrees to submit to Company on behalf of Customers all nominations and allocation information required pursuant to LCS-1. ARTICLE II IMBALANCES Section 2.1 - Imbalances between receipts and deliveries among the Customers subject to this Agreement will be calculated by determining the difference between the total aggregated deliveries by the Customers to Company at receipt points and the total aggregated deliveries received by the Customers at delivery points. Section 2.2 - The imbalance tolerance set forth in Parts 3.21.5. and 3.21.8. shall apply to the aggregated imbalance total, unless and until pooling rights are interrupted by Company for a specified period. ARTICLE III PAYMENTS Section 3.1 - Payments due Company for Customers' imbalances arising under LCS-1 shall be paid by Pool Manager. Section 3.2 - In the event Pool Manager should fail to timely pay the imbalances set forth in Section 3.1 of this Agreement, then Company shall redetermine the imbalance payments due by each Customer, which redetermination shall be made without benefit of the aggregated tolerances, and each Customer shall pay the said redetermined imbalance payment. ARTICLE IV TERM Section 4.1 - This Agreement shall be effective \_\_\_\_\_ and, shall continue from month to month thereafter until terminated by either party upon written notice delivered at least five (5) days prior to the beginning of a month. ARTICLE V MISCELLANEOUS Section 5.1 - Pool Manager represents that it is authorized to act on behalf of Customers with respect to the service rendered hereunder. Section 5.2 - Pool Manager agrees that Company shall have the right at any time and from time to time to file and place into effect unilateral changes or modifications in the rates and charges, and other terms and conditions of service hereunder, in accordance with applicable law. Company agrees that Pool Manager may protest or contest any such charges or modifications. Section 5.3 - Service hereunder shall be in accordance with and subject to, and the parties agree to be bound by, all applicable terms and conditions set forth in LCS-1, as in effect from time to time, which terms and conditions are incorporated herein by reference. IN WITNESS WHEREOF, the parties have executed this Agreement as of the date hereinabove first written.

COMPANY: CENTERPOINT ENERGY RESOURCES CORP. d/b/a CenterPoint Energy

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Arkansas Gas By: \_\_\_\_\_ [Name]  
 [Title] POOL MANAGER, INDIVIDUALLY AND AS AGENT FOR  
 CUSTOMERS \_\_\_\_\_  
 By: \_\_\_\_\_ [Name] [Title] [Address]  
 AGENCY AGREEMENT CENTERPOINT ENERGY RESOURCES CORP. D/B/A CENTERPOINT ENERGY  
 ARKANSAS GAS [Customer] \_\_\_\_\_  
 \_\_\_\_\_ [Agent] \_\_\_\_\_  
 RE: Large Volume Commercial Customer Agreement  
 (Transportation Supply Option) (Agreement) dated as of \_\_\_\_\_, by  
 and between CenterPoint Energy Resources Corp., d/b/a/ CenterPoint Energy Arkansas  
 Gas (Company), and \_\_\_\_\_, (Customer) Ladies and Gentlemen:  
 This Letter will evidence the understanding between \_\_\_\_\_  
 (Customer), \_\_\_\_\_ (Agent) and CenterPoint Energy  
 Resources Corp., d/b/a CenterPoint Energy Arkansas Gas (Company), that effective as  
 of \_\_\_\_\_, Agent will act as Customer's agent for services provided by  
 Company pursuant to the referenced Agreement for all purposes related thereto,  
 unless expressly provided otherwise herein, including, but not limited to, the  
 purposes of submitting and receiving notices, nominations and other information  
 related to receipts and deliveries of gas and performing other administrative or  
 contractual duties [including payment obligations,] under the Agreement and as  
 required by Company's Rate Schedule No. 3, Large Commercial Firm Service (LCS-1),  
 as on file and in effect from time to time. Company will coordinate with Agent for  
 all imbalance administration, contract administration, nominations, scheduling and  
 allocations for Customer's account, and shall be entitled to rely on Agent's  
 actions with respect to the Agreement. ( ) Timely payments made by Agent to  
 Company for services rendered to Customer in accordance with the terms of the  
 Agreement and for any penalties, fees, assessments or other charges assessed  
 against Customer's account by Company shall be credited to Customer's account and  
 all notices given to Agent shall be deemed given to Customer. ( ) Company  
 shall make any cash balancing payments it may be required to make for Customer's  
 account to Agent. Company shall make any refund payments it may be required to  
 make directly to Agent. Agent agrees to indemnify, defend and hold harmless  
 Company from any and all liabilities, losses, damages, expenses, claims, actions  
 and fines of whatever nature (including, but not limited to, attorney's fees and  
 court costs incurred by Company, whether related to the collection of any amounts  
 due under the Agreement or otherwise) resulting from Company's reliance on Agent,  
 including, but not limited to, actions taken by Company pursuant to Agent's action  
 or inaction under the Agreement. Customer shall remain liable to Company for all  
 of its obligations as Customer under the Agreement, and Company shall have no duty,  
 liability or responsibility whatsoever to Agent. Customer acknowledges that if  
 Agent acts as a Pool Manager pursuant to Part 3.23. of LCS-1 and (i) should the  
 Pool Manager fail to pay invoices calculated at the aggregated level, or (ii),  
 should Company interrupt Pooling Service for any reason pursuant to Part 3.23.1. of  
 LCS-1, then upon default to the individual Customer invoice, the invoice shall be  
 recalculated at the individual Customer level, without benefit of the aggregated  
 tolerance, as provided in Part 3.23.4. of LCS-1. Customer's designation and  
 appointment of Agent may be terminated or canceled by Customer, Agent, or Company  
 but no such termination or cancellation shall be effective as to Company until the  
 first day of the month, following the expiration of a five (5) day period after  
 Company's receipt of written notice of such termination or cancellation from  
 Customer or Agent. Notwithstanding the foregoing, this designation and appointment

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of Agent shall automatically terminate upon termination or cancellation of the referenced Agreement. This Agency Agreement will supersede any previously executed Agency Agreements. If the foregoing is acceptable, please so indicate by having an authorized officer execute and return to the undersigned. Very truly yours,

CENTERPOINT ENERGY RESOURCES CORP. d/b/a/ CenterPoint Energy Arkansas Gas By: \_\_\_\_\_ ACCEPTED AND AGREED

TO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 200\_\_ CUSTOMER: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

ACCEPTED AND AGREED TO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 200\_\_ AGENT:

By: \_\_\_\_\_ Name: \_\_\_\_\_ Title: \_\_\_\_\_

RATE ADJUSTMENT PROVISIONS

None



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RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17533

| CUSTOMERS              |                      |                     |                           |                           |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 9863                   | N                    | MMBtu               | \$4.4657                  | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | MMBtu               | \$4.4657                  | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | MMBtu               | \$4.4657                  | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | MMBtu               | \$4.4657                  | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | MMBtu               | \$4.4657                  | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | MMBtu               | \$4.4657                  | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | MMBtu               | \$4.4657                  | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | MMBtu               | \$4.4657                  | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | CD/MMB              | \$17.4402                 | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | CD/MMB              | \$17.4402                 | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | CD/MMB              | \$17.4402                 | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | CD/MMB              | \$17.4402                 | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | MMBtu               | \$4.4657                  | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | MMBtu               | \$4.4657                  | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | MMBtu               | \$4.4657                  | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | MMBtu               | \$4.4657                  | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | MMBtu               | \$4.4657                  | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |

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RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17533

**CUSTOMERS**

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| 9864                   | N                    | MMBtu               | \$4.4657                  | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | MMBtu               | \$4.4657                  | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | MMBtu               | \$4.4657                  | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | MMBtu               | \$4.4657                  | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | MMBtu               | \$4.4657                  | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | MMBtu               | \$4.4657                  | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | MMBtu               | \$4.4657                  | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | MMBtu               | \$4.4657                  | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | MMBtu               | \$4.4657                  | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | MMBtu               | \$4.4657                  | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | MMBtu               | \$4.4657                  | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |

**REASONS FOR FILING**

NEW?: N RRC DOCKET NO: CITY ORDINANCE NO: Ord 253-07 & Operation of law  
 AMENDMENT (EXPLAIN):  
 OTHER (EXPLAIN): Add Pipeline Safety Inspection Fee

**SERVICES**

| <u>TYPE OF SERVICE</u>        | <u>SERVICE DESCRIPTION</u>       |
|-------------------------------|----------------------------------|
| B                             | Commercial Sales                 |
| <u>OTHER TYPE DESCRIPTION</u> |                                  |
| M                             | Other(with detailed explanation) |
| <u>OTHER TYPE DESCRIPTION</u> | Large Commercial                 |

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17534

DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 01/11/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 04/23/2014  
 GAS CONSUMED: N AMENDMENT DATE: 07/16/2010 OPERATOR NO:  
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

| SCHEDULE ID | DESCRIPTION  |
|-------------|--|
| GL-1-I      | <p>4. UNMETERED GAS LIGHT FIRM SALES SERVICE (GL-1)</p> <p>4.1. AVAILABILITY</p> <p>4.1.1. This rate schedule is available at points of adequate capacity and suitable pressure. This rate schedule is available to new or existing customers for unmetered gas, to be used solely for the continuous operation of natural gas lighting fixtures. Service under this rate schedule is offered at the Company's discretion, and only when metering the lighting fixtures' consumption is not economical.</p> <p>4.1.2. This rate schedule is applicable to unmetered, continuously burning, natural gas lighting. The natural gas lighting fixture must be equipped with a natural gas or L.P. regulator approved by the Company, capable of regulating Company's main line pressure down to an appropriate pressure level. Where applicable, the natural gas lighting fixture must also be equipped with an orifice that will restrict gas flow to the appropriate cubic feet per hour input capacity rate, identified in this schedule. Customer is responsible for all natural gas lighting fixture modifications, maintenance, and installation. Company must inspect and approve the lighting fixture, any fixture modifications, and fixture installations, before natural gas service is made available.</p> <p>4.1.3. Company is responsible for providing a main line tap, cut-off valve, and up to 75 feet of service line per natural gas lighting fixture. Customer will be responsible for the cost of service line installation beyond 75 feet. Company must inspect and approve the natural gas lighting fixture, any fixture modifications, and fixture installation, before natural gas service is made available. 4.1.4. The Ccf to be billed during a billing period shall be calculated using the following procedure: (A) Manufacturer's rated input for each gas light in cubic feet per hour; multiplied by (B) the number of lights in installation; multiplied by (C) 7.3.</p> <p>4.2. RATE 4.2.1. The customer shall be charged in accordance with the currently effective residential or commercial rate schedule otherwise applicable to the customer served hereunder.</p> <p>4.3. MINIMUM CHARGE</p> <p>4.3.1. The minimum charge rate shall be computed in accordance with the currently effective residential or commercial rate schedule otherwise applicable to the customer served hereunder.</p> <p>4.4. RIDERS</p> <p>4.4.1. The applicability of riders shall be in accordance with the currently effective residential or commercial rate schedule otherwise applicable to the customer served hereunder.</p> <p>4.4.2. Service will be rendered under this rate schedule until service is</p> |

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17534

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

discontinued to customer or until the schedule is superseded.

4.5. RULES AND REGULATIONS GOVERNING UTILITY SERVICE

4.5.1. The Commission's Special Rules of Practice and Procedure and Substantive Rules and the Company's Standard Rules and Regulations, as the same may from time to time be changed in accordance with the law, shall be applicable to service under this rate schedule.

GSR-I

1. GAS SUPPLY RATE (GSR) 1.1. The Gas Supply Rate (GSR) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 1 Gas Supply Rate (GSR). 1.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)

MRP

2. MAIN REPLACEMENT PROGRAM (MRP) 2.1. The Main Replacement Program (MRP) surcharge shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 2 Main Replacement Program Rider(MRP). 2.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)

PSIF-5

PIPELINE SAFETY INSPECTION FEE

Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211.

The 2014 Pipeline Safety Fee is a one-time customer charge per bill of \$1.04, based on \$1.00 per service line. Collected from April 1, 2014 to April 30, 2014.

**RATE ADJUSTMENT PROVISIONS**

None

## GAS SERVICES DIVISION

## GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17534

| CUSTOMERS              |                      |                     |                           |                           |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 9863                   | N                    | ccf                 | \$.6774                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6774                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6774                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6774                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6774                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6774                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6774                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6774                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6774                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |

GAS SERVICES DIVISION  
GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17534

**CUSTOMERS**

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| 9864                   | N                    | ccf                 | \$.6774                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6774                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6774                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |

**REASONS FOR FILING**

NEW?: N RRC DOCKET NO: CITY ORDINANCE NO: Ord 253-07 & Operation of law  
 AMENDMENT( EXPLAIN ): OTHER( EXPLAIN ): Add Pipeline Safety Inspection Fee

**SERVICES**

| <u>TYPE OF SERVICE</u>        | <u>SERVICE DESCRIPTION</u>       |
|-------------------------------|----------------------------------|
| B                             | Commercial Sales                 |
| <u>OTHER TYPE DESCRIPTION</u> |                                  |
| C                             | Industrial Sales                 |
| <u>OTHER TYPE DESCRIPTION</u> |                                  |
| M                             | Other(with detailed explanation) |
| <u>OTHER TYPE DESCRIPTION</u> | Gas Light                        |

GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17536

DESCRIPTION: Distribution Sales STATUS: A  
 EFFECTIVE DATE: 01/11/2008 ORIGINAL CONTRACT DATE: RECEIVED DATE: 04/23/2014  
 GAS CONSUMED: N AMENDMENT DATE: 07/16/2010 OPERATOR NO:  
 BILLS RENDERED: Y INACTIVE DATE:

RATE SCHEDULE

| SCHEDULE ID | DESCRIPTION  |
|-------------|--|
| BDA-I       | 6. TRIAL BILLING DETERMINANT RATE ADJUSTMENT TARIFF (BDA) 6.1. The Trial Billing Determinant Rate Adjustment Tariff (BDA) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 6 Trial Billing Determinant Adjustment Tariff (BDA). 6.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off Peak (SCS-2) Unmetered Gas Light Firm Sales Service (GL-1)   |
| EECR-I      | 5. ENERGY EFFICIENCY COST RECOVERY RIDER (EECR) 5.1. The Energy Efficiency Cost Recovery Rider (EECR) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 5 Energy Efficiency Cost Recovery Rider (EECR). 5.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)  |
| GSR-I       | 1. GAS SUPPLY RATE (GSR) 1.1. The Gas Supply Rate (GSR) shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 1 Gas Supply Rate (GSR). 1.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)   |
| MRP         | 2. MAIN REPLACEMENT PROGRAM (MRP) 2.1. The Main Replacement Program (MRP) surcharge shall be the amount charged to CenterPoint Energy's customers residing or located in Texarkana, Arkansas under Arkansas tariff Rider Schedule No. 2 Main Replacement Program Rider(MRP). 2.2. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)   |
| PSIF-5      | PIPELINE SAFETY INSPECTION FEE<br>Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211.<br><br>The 2014 Pipeline Safety Fee is a one-time customer charge per bill of \$1.04, based on \$1.00 per service line. Collected from April 1, 2014 to April 30, 2014.   |
| RS-1-I      | 1. RESIDENTIAL FIRM SALES SERVICE (RS-1)<br><br>1.1. AVAILABILITY<br>1.1.1. This rate is available to any consumer where gas is delivered to an individually metered, single, private dwelling and its appurtenances, the major use of which is for household appliances, and for the personal comfort and convenience of those persons residing therein. This rate schedule is not available for any dwelling used principally for commercial purposes. Natural gas supplied hereunder is for the individual use of the customer at the point of delivery and shall not be resold or shared with others. Standby service is not available under this rate schedule. |

GAS SERVICES DIVISION  
 GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17536

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

1.2. RATES

1.2.1. Each customer receiving service under this rate schedule shall be charged the sum of (a), (b), and (c) as follows:

(a) Monthly Customer Charge -- \$9.75. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service.

(b) Distribution Rate: First 50 Ccf at \$0.34655 per Ccf  
 Over 50 Ccf at \$0.16664 per Ccf

(c) Gas Supply Rate - The Gas Supply Rate will be calculated and adjusted periodically as defined in the Company's Gas Supply Rate Rider.

1.3. MINIMUM CHARGE

1.3.1. Monthly Customer Charge -- \$9.75. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service.

1.4. RIDERS

1.4.1. In addition to the Gas Supply Rate Rider, the following riders are applicable to service under this rate schedule: Rider

|  |
|--|
| Identification on Name Description   |
| Customer Bills MRP Main Replacement Program                                    |
| Base Rate Adjustment TA Municipal Tax Adjustment                               |
| Municipal Franchise Adjustment WNA Weather Normalization Adjustment            |
| Weather Normalization Adjustment BDA Trial Billing Determinant Rate Adjustment |
| Billing Determinant Rate Adjustment EECR Energy Efficiency Cost Recovery Rider |
| Energy Efficiency Cost Rate  |

1.4.2. Service will be rendered under this rate schedule until service is discontinued to customer or the schedule is superseded.

1.5. RULES AND REGULATIONS GOVERNING UTILITY SERVICE

1.5.1. The Commission's Special Rules of Practice and Procedure and Substantive Rules and the Company's Standard Rules and Regulations, as the same may from time to time be changed in accordance with the law, shall be applicable to service under this rate schedule.

TA-I

3. MUNICIPAL TAX ADJUSTMENT CLAUSE (TA) 3.1. The Company will pass on Municipal Taxes to Local Customers by adding to each monthly bill rendered a Local Customer as a separate line item identified as Municipal Franchise Adjustment, an amount calculated on an equal-per-meter basis determined in accordance with the following:

3.1.1. As used herein, the term City Tax, or Municipal Tax, refers to any and all privilege, occupation, franchise meter, gross receipts or other tax or assessment of whatever kind and by whatever name (except ad valorem taxes) now and at any time hereafter levied on, the Company by any Municipality. 3.1.2. Municipality refers to the local taxing authority imposing the Municipal Tax, whether city, town, village, unincorporated association, district, county or other authority authorized to impose same under present or future law. 3.1.3. Local Customers refers to any and all residential and general service customers in Texas that are within the geographical boundaries or taxing authority of the Municipality; provided, that if



GAS SERVICES DIVISION

GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17536

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

a particular tax ordinance or other act imposing the Municipal Tax includes in its taxing impact any service locations that would otherwise not be considered a Local Customer hereunder, then such service will be included in the term Local Customer.

3.2. Notwithstanding the above, if a particular tax ordinance or other act imposing the Municipal Tax specifies a method of payment of collection other than on an equal-per-meter basis, then the method so specified shall be utilized provided such method results in the collection of taxes from Local Customers equal to the taxes levied on the Company. 3.3. The Company, upon receipt of a certified copy of the approved municipal ordinance will initiate the pass-on of any increase or decrease in taxes subject to this clause beginning with the billing cycle immediately following receipt of the ordinance, and upon the availability of customer billing data necessary to initiate or to revise the calculation of the pass-on.

3.4. If at any time there is a significant change in any of the above determining factors which will cause an unreasonable over or under collection of Municipal Taxes, the Company will adjust the amount collected so that such over or under collection will be minimized. 3.5. APPLICABLE RATE SCHEDULES: Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2) Large Commercial Firm Service (LCS-1) Unmetered Gas Light Firm Sales Service (GL-1)

WNA-I

4. WEATHER NORMALIZATION ADJUSTMENT (WNA) 4.1. For bills rendered from November 1 through April 30 each year, the applicable margin rates for gas service to customers served under the applicable rate schedules shall be adjusted by a Weather Normalization Adjustment (WNA) to reflect much of the impact of heating degree day variations from normal levels which were used to set rates under the applicable rate schedules. 4.2. In order to calculate the total weather adjustment for the applicable billing cycle, a weather deviation is computed and multiplied by the applicable margin rate. A per Ccf WNA adjustment is calculated by dividing the total weather adjustment by the average Ccf usage per customer for all customers in each billing cycle, using the formula described below. The per Ccf adjustment for each applicable rate schedule is applied to customer's usage for the billing cycle.

The WNA shall be separately identified on customer bills. 4.3. CALCULATION OF WEATHER NORMALIZATION ADJUSTMENT 4.3.1. The WNA is calculated as follows:  
 $WNA_i = R_i(DDF_i (NDD - ADD))$        $AAU_i$       Where: i = Any particular rate classification to which the WNA is to be applied.      WNA = Weather Normalization Dollar Adjustment per Ccf      R = Applicable Margin Rate      DDF = Degree Day Factor associated with the applicable rate schedule: Residential Service (RS-1) .1432 Small Commercial Sales (SCS-1 and SCS-2) .5776      NDD = Normal Degree Days during the billing cycle      ADD = Actual Degree Days during the billing cycle      AAU = Average Actual Usage per customer for each billing cycle 4.4.

DEFINITIONS 4.4.1. Normal Degree-days: The heating degree-days, which are based on a 30-year average ending June 30, 2006 as are shown on Attachment 1. 4.4.2. Actual Degree Days: The actual heating degree days as published by Weather Services Corporation, or any other nationally recognized third-party weather service.

4.4.3. Applicable Margin Rate: 4.4.3.1. The Residential Service (RS-1). The RS-1 WNA marginal rate will use a weighted average marginal rate of the November - April residential volumes that are in excess of 13 Ccf. The mechanics will be to use the monthly bill frequencies to determine the volume in the 14-50 Ccf range and the volume above the 50 Ccf range. The weighted average margin will be determined by applying the first block margin rate to the 14-50 Ccf volumes and the second block margin rate to the volumes above 50 Ccf, summing those totals and dividing the results by the total volumes in those ranges. 4.4.3.2. The Small Commercial

GAS SERVICES DIVISION  
 GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17536

**RATE SCHEDULE**

SCHEDULE ID

DESCRIPTION

Sales (SCS-1 and SCS-2). The SCS WNA marginal rate will use a weighted average marginal rate of the November - April SCS volumes that are in excess of 153 Ccf. The mechanics will be to use the monthly bill frequencies to determine the volume in the 154-1,500 Ccf range, the volume in the 1,501-15,000 Ccf range, and the volume above the 15,000 Ccf range. The weighted average margin will be determined by applying the first block margin rate to the 154-1,500 Ccf volumes, the second block margin rate to the volumes in the 1,501-15,000 range, and the third block margin rate to the volumes in the range above 15,000 Ccf, summing those totals and dividing the results by the total volumes in those ranges. 4.5. APPLICABLE RATE SCHEDULES Residential Firm Sales Service (RS-1) Small Commercial Firm Sales Service (SCS-1) Small Commercial Firm Sales Service-Off-Peak (SCS-2)

**RATE ADJUSTMENT PROVISIONS**

None

## GAS SERVICES DIVISION

## GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17536

| <b>CUSTOMERS</b>       |                      |                     |                           |                           |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
| 9863                   | N                    | ccf                 | \$.6774                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6774                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 09/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6774                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6774                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 05/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6774                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6774                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 06/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6774                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6774                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 10/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6774                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |

GAS SERVICES DIVISION  
GSD - 1 TARIFF REPORT

RRC COID: 6269 COMPANY NAME: CENTERPOINT ENERGY ARKLA

TARIFF CODE: DS RRC TARIFF NO: 17536

**CUSTOMERS**

| <u>RRC CUSTOMER NO</u> | <u>CONFIDENTIAL?</u> | <u>BILLING UNIT</u> | <u>PGA CURRENT CHARGE</u> | <u>PGA EFFECTIVE DATE</u> |
|------------------------|----------------------|---------------------|---------------------------|---------------------------|
| 9864                   | N                    | ccf                 | \$.6774                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 07/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |
| 9863                   | N                    | ccf                 | \$.6774                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | TEXARKANA, INC.      |                     |                           |                           |
| 9864                   | N                    | ccf                 | \$.6774                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | NASH, INC.           |                     |                           |                           |
| 9865                   | N                    | ccf                 | \$.6774                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | REDWATER, INC.       |                     |                           |                           |
| 9866                   | N                    | ccf                 | \$.6774                   | 08/01/2014                |
| <u>CUSTOMER NAME</u>   | WAKE VILLAGE, INC.   |                     |                           |                           |

**REASONS FOR FILING**

NEW?: N RRC DOCKET NO: CITY ORDINANCE NO: Ord 253-07 & Operation of law  
 AMENDMENT( EXPLAIN ):  
 OTHER( EXPLAIN ): Add Pipeline Safety Inspection Fee

**SERVICES**

| <u>TYPE OF SERVICE</u>        | <u>SERVICE DESCRIPTION</u> |
|-------------------------------|----------------------------|
| A                             | Residential Sales          |
| <u>OTHER TYPE DESCRIPTION</u> |                            |