

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16140

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 08/21/2014

INITIAL SERVICE DATE: 06/01/2004 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 7/1/14: Add Delivery Point - Longview Inc to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16140

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| PSIF-9 | <p>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.</p> |
| Tnspt Terms T-65 B | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service.</p> <p>12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16140

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|---|-----------------|------------------------------|------------------|---------|----------|-------------------|-----------------------|----------------|----------------|-----------|----------------------------------|---------------|------|------|------------|-----|-----|------|-----------------|-----|------|-----------------|-----|------|------------------|-----|------|--|--|--|
| | <p>intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Imbalance Level</th> <th style="text-align: center;">The Company Pays Shipper the</th> <th style="text-align: center;">Shipper Pays</th> <th style="text-align: center;">Overage</th> <th style="text-align: center;">Underage</th> </tr> <tr> <th style="text-align: left;">Percentage of the</th> <th style="text-align: center;">Company the Following</th> <th style="text-align: center;">Cash-Out Price</th> <th style="text-align: center;">Cash-Out Price</th> <th style="text-align: center;">Following</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Percentage of the Cash-Out Price</td> <td style="text-align: center;">From 0% to 5%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">From 5% to</td> </tr> <tr> <td style="text-align: left;">10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">120%</td> <td style="text-align: center;">From 10% to 15%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: left;">130%</td> <td style="text-align: center;">From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">140%</td> <td style="text-align: center;">Greater than 20%</td> </tr> <tr> <td style="text-align: left;">50%</td> <td style="text-align: center;">150%</td> <td colspan="3"></td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper</p> | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Overage | Underage | Percentage of the | Company the Following | Cash-Out Price | Cash-Out Price | Following | Percentage of the Cash-Out Price | 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% | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | Company the Following | Cash-Out Price | Cash-Out Price | Following | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | 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% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 16140 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16140

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012 Terms & Conditions</p> |
| T-65 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16140

CURRENT RATE COMPONENT

RATE COMP. ID

DESCRIPTION

between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.

EXHIBIT A

TO TRANSPORTATION SERVICE AGREEMENT

Page 1 of 2

SHIPPER INFORMATION Name of Shipper:

Number: _____ Shipper's Dunn's

Shipper's Email Billing Address: _____ Shipper's Physical Business Address:

Note: Bills are rendered via E-mail and are due and payable

when E-mail is sent by Company. _____ Shipper's Business Email Address:

GENERAL INFORMATION Term of Service

Begin Date:

End Date:

Evergreen: Yes or No

Period of Evergreen: 1 Year, 2 Years, etc. _____

Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:

Facility Information End-User Business Name: _____ End-User

_____ End-User Dunn's Number: _____ End-User Physical

Service (Business) Address: _____ End-User Facility Contact

for Operating Information and Emergency Notices Name: _____

Office Telephone:

Office Fax:

E-Mail Address:

Delivery Information Number of Meters Receiving Transportation Service:

Delivery Point(s):

Receipt Point(s): _____

Quantities: MDQ (in MMBtu/day)

Upstream Pipeline Contact for Confirmations Name:

Office Telephone:

Fax:

Office

E-Mail Address:

EXHIBIT A

TO TRANSPORTATION SERVICE AGREEMENT

Page 2 of 2

NOTICES TO SHIPPER

Operational Notices Supply Coordinator: _____

Office Fax:

Office Telephone:

Business E-Mail Address: _____

Other Notices

Marketing Representative:

All

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16140

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | Office Fax: _____ Office Telephone: _____ |
| | Business E-Mail Address: _____ Business Mailing Address: _____ |
| | Operational Notices Employee Name: _____ Office |
| | Fax: _____ Office Telephone: _____ |
| | Business E-Mail Address: _____ |
| | All Other Notices Employee Name: _____ Office Fax: _____ |
| | Office Telephone: _____ |
| | Business E-Mail Address: _____ Business Mailing Address: _____ |
| | INDEX FOR SHIPPER CASH-OUT |
| | CALCULATIONS Applicable Monthly Index: _____ |
| | Applicable Index Adder or WACOG: _____ Applicable |
| | Daily Index: _____ |
| | ACKNOWLEDGEMENTS Signature of Shipper: _____ |
| | Date of Execution by Shipper: _____ Signature of |
| | End-User: _____ |
| | Date of Execution by End-User: _____ |

Tnspt Terms T-65 A

CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65

1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65

2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 16140

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company appraised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s);

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16140

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012 Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16140

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16140

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 60 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: CLEVELAND, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 23 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: BEAUMONT, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 78 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: DAYTON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 48 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: CARTHAGE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 96 | D | MMBtu | \$.0000 | 05/01/2006 | N |
| DESCRIPTION: EL CAMPO, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 155 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: HUNTSVILLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 234 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: NACOGDOCHES, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 252 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: ORANGE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 302 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: RUSK, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 34650 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: GILMER | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16140

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 34651 | D | MMBtu | \$.0000 | 04/01/2011 | N |
| DESCRIPTION: LONE STAR | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 34653 | D | MMBtu | \$.0000 | 01/01/2014 | N |
| DESCRIPTION: DANGERFIELD | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 359 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: TYLER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42967 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: AMES, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42969 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: BASTROP, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42971 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: BEAUMONT, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42976 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: CENTER, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42977 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: CENTER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42978 | D | MMBtu | \$.0000 | 04/01/2008 | N |
| DESCRIPTION: CHEEK, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42981 | D | MMBtu | \$.0000 | 02/01/2012 | N |
| DESCRIPTION: CLEVELAND, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16140

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 42982 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: CORRIGAN, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42983 | D | MMBtu | \$.0000 | 05/01/2007 | N |
| DESCRIPTION: CORRIGAN, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42985 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: DAYTON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42987 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: DIBOLL, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42989 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: GLADEWATER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42990 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: HENDERSON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42991 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: HENDERSON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42992 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: HONDO, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42994 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: HUNTSVILLE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42997 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: JACKSONVILLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16140

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 42999 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: JASPER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43001 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: KENEDY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43003 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: LAREDO, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43004 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: LATEXO, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43005 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: LATEXO, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43006 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: LONGVIEW, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43007 | 0 | MMBtu | \$.0000 | 07/01/2014 | N |
| DESCRIPTION: LONGVIEW, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43009 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: LUFKIN, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43011 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: MARSHALL, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43012 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: NACAGDOCHES, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 16140**

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 43013 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: NEW BRAUNFELS, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43014 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: NEW BRAUNFELS, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43015 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: ORANGE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43019 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: SAN MARCOS, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43021 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: SCHULENBURG, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43023 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: SEGUIN, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43025 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: SELMA, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43026 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: SILSBEE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43028 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: TENAHA, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43030 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: TYLER, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16140

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 43033 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: VICTORIA, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43034 | D | MMBtu | \$.0000 | 09/01/2011 | N |
| DESCRIPTION: WEIMAR, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43035 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: WEIMAR, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55674 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: EL CAMPO, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58922 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: CAMP GARY, Environs | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58927 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: GRAPELAND, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58938 | D | MMBtu | \$.0000 | 10/01/2010 | N |
| DESCRIPTION: MT. PLEASANT, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58939 | D | MMBtu | \$.0000 | 11/01/2011 | N |
| DESCRIPTION: LONE STAR, ENV. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68834 | D | MMBtu | \$.0000 | 04/01/2008 | N |
| DESCRIPTION: HALLETTSVILLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68964 | D | MMBtu | \$.0000 | 01/01/2008 | N |
| DESCRIPTION: PINEHURST, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16140

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 73141 | D | MMBTu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: HUGHES SPRINGS, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77065 | D | MMBTu | \$.0000 | 09/01/2010 | N |
| DESCRIPTION: GIDDINGS, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77066 | D | MMBTu | \$.0000 | 10/01/2010 | N |
| DESCRIPTION: CROCKETT, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77963 | D | MMBTu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: DANGERFIELD, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 85545 | D | MMBTu | \$.0000 | 01/01/2012 | N |
| DESCRIPTION: HUGHES SPRINGS, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 86346 | D | MMBTu | \$.0000 | 06/01/2013 | N |
| DESCRIPTION: GIDDINGS, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16143

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 11/01/2005 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24864 | TGLO | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16143

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| PSIF-9 | 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. |
| T-65 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p style="text-align: center;">Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16143

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | Period of Evergreen: 1 Year, 2 Years, etc. Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16143

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-65 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION
 GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16143

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16143

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-65 B</p> | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16143

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16143

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|--|-----------------------|---------|----------|-----------------|------------------------------|--------------|-------------------|---------------------------|----------------|----------------------------------|---------------|------|-----|-----|-----------------|----------------------|-----|-----|-----|------|-----------------------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%; text-align: center;">Underage</td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays</td> </tr> <tr> <td style="text-align: center;">Percentage of the</td> <td style="text-align: center;">the Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-Out Price</td> <td style="text-align: center;">From 0% to 5%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">100% From 5% to</td> </tr> <tr> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td style="text-align: center;">140% Greater than 20%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date</p> | | Overage | Underage | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Percentage of the | the Company the Following | Cash-Out Price | Percentage of the Cash-Out Price | From 0% to 5% | 100% | 10% | 80% | 100% From 5% to | 130% From 15% to 20% | 60% | 70% | 50% | 150% | 140% Greater than 20% |
| | Overage | Underage | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | the Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | From 0% to 5% | 100% | | | | | | | | | | | | | | | | | | | | |
| 10% | 80% | 100% From 5% to | | | | | | | | | | | | | | | | | | | | |
| 130% From 15% to 20% | 60% | 70% | | | | | | | | | | | | | | | | | | | | |
| 50% | 150% | 140% Greater than 20% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16143

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>(the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16143

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 23 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: BEAUMONT, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 42969 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: BASTROP, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |
| 43009 | D | MMBtu | \$.0000 | 11/01/2005 | N |
| DESCRIPTION: LUFKIN, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 43019 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: SAN MARCOS, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 58941 | D | MMBtu | \$.0000 | 01/01/2010 | N |
| DESCRIPTION: NEW BOSTON, ENV. | | | | | |
| Customer 24864 TGLO | | | | | |
| 58942 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: SMITHVILLE, ENV. | | | | | |
| Customer 24864 TGLO | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16144

DESCRIPTION: Distribution Transportation **STATUS:** A
OPERATOR NO:
ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 08/21/2014
INITIAL SERVICE DATE: 04/01/2005 **TERM OF CONTRACT DATE:**
INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012
CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**
CITY ORDINANCE NO:
AMENDMENT(EXPLAIN): None
OTHER(EXPLAIN): Effective 7/1/14: Add Delivery Point - Rosenberg Env to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16144

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| PSIF-9 | 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. |
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: right;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>_____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16144

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16144

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|--------------------|--|
| Tnspt Terms T-69 A | <p>End-User: _____ Date of Execution by End-User: _____</p> <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69 2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16144

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16144

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-69 B</p> | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 16144 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 16144 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|--|-----------------------|------------------------------|------------------|---------|----------|-------------------------|-----------------------|-----------------------|----------------|-----------|------|------|-----------|-----|------|-----|-----|------------|-----|-----|------|------------------|-----|------|--|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th>Imbalance Level</th> <th>The Company Pays Shipper the</th> <th>Shipper Pays the</th> <th>Overage</th> <th>Underage</th> </tr> <tr> <th>Percentage of the Cash-</th> <th>Company the Following</th> <th>Company the Following</th> <th>Cash-Out Price</th> <th>Following</th> </tr> <tr> <th>100%</th> <td>100%</td> <td>5% to 10%</td> <td>80%</td> <td>120%</td> </tr> <tr> <th>15%</th> <td>70%</td> <td>15% to 20%</td> <td>60%</td> <td>10%</td> </tr> <tr> <th>140%</th> <td>Greater than 20%</td> <td>50%</td> <td>150%</td> <td></td> </tr> </thead> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Overage | Underage | Percentage of the Cash- | Company the Following | Company the Following | Cash-Out Price | Following | 100% | 100% | 5% to 10% | 80% | 120% | 15% | 70% | 15% to 20% | 60% | 10% | 140% | Greater than 20% | 50% | 150% | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | Company the Following | Company the Following | Cash-Out Price | Following | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% | 5% to 10% | 80% | 120% | | | | | | | | | | | | | | | | | | | | | | |
| 15% | 70% | 15% to 20% | 60% | 10% | | | | | | | | | | | | | | | | | | | | | | |
| 140% | Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 16144

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16144

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16144

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 10 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: ANGLETON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 149 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 150 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 155 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: HUNTSVILLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 352 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: TEXAS CITY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55670 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55671 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: TEXAS CITY, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55672 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: DICKINSON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55673 | D | MMBtu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: BAYTOWN, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55675 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: RICHMOND, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16144

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 55678 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: LA PORTE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58916 | D | MMBtu | \$.0000 | 02/01/2008 | N |
| DESCRIPTION: ROSHARON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58921 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: ALVIN, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58923 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: CHANNEL AREA, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58924 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: CONROE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58925 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: CROSBY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58926 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: DEER PARK, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58928 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: HUMBLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58929 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: MONTGOMERY COUNTY, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58930 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: PASADENA, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16144

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 58931 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: SEABROOK, ENV. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58932 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: SHENANDOAH, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58933 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: STAFFORD, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58934 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: TEAL RUN, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58935 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: WEBSTER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58936 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: WOODLANDS, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 66265 | D | MMBtu | \$.0000 | 02/01/2007 | N |
| DESCRIPTION: BAYTOWN, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 66266 | D | MMBtu | \$.0000 | 02/01/2008 | N |
| DESCRIPTION: JONES CREEK, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68171 | D | MMBtu | \$.0000 | 10/01/2008 | N |
| DESCRIPTION: OYSTER CREEK, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68835 | D | MMBtu | \$.0000 | 01/01/2008 | N |
| DESCRIPTION: FREEPORT, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16144

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 68836 | D | MMBtu | \$.0000 | 12/01/2013 | N |
| DESCRIPTION: BROOKSHIRE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68837 | D | MMBtu | \$.0000 | 04/01/2014 | N |
| DESCRIPTION: ANGLETON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68838 | D | MMBtu | \$.0000 | 10/01/2012 | N |
| DESCRIPTION: BARRETT'S SETTLEMENT, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73134 | D | MMBtu | \$.0000 | 01/01/2009 | N |
| DESCRIPTION: SOUTH HOUSTON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73135 | D | MMBtu | \$.0000 | 02/01/2012 | N |
| DESCRIPTION: HIGHLANDS, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73142 | D | MMBtu | \$.0000 | 02/01/2009 | N |
| DESCRIPTION: GALENA PARK, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73145 | D | MMBtu | \$.0000 | 01/01/2009 | N |
| DESCRIPTION: CROSBY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77967 | D | MMBtu | \$.0000 | 03/01/2014 | N |
| DESCRIPTION: MISSOURI CITY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 87308 | D | MMBtu | \$.0000 | 07/01/2014 | N |
| DESCRIPTION: ROSENBERG, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 16144

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 19394

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 09/23/2014

INITIAL SERVICE DATE: 03/01/2009 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Eff 8/1/14 Cust Name Changed from #28438 to #35296. Remove DP #s 42989 and 42997. Add DP Schulenberg Inc from T20725

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|---------------------------|----------------------|-----------------------|
| 35296 | CONTINUUM ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 19394

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | <p>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.</p> |
| Tnspt Terms T-65 B | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>11. FACILITIES</p> <p>11.1 For any Exhibit A effective prior to June 1, 2012:</p> <p>11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry.</p> <p>11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2 For any Exhibit A effective on or after June 1, 2012:</p> <p>11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point.</p> <p>11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point.</p> <p>11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule.</p> <p>11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A:</p> <p>11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or</p> <p>11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month</p> <p>11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer.</p> <p>11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service.</p> <p>12. BALANCING</p> <p>12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply.</p> <p>12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical.</p> <p>12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances.</p> <p>12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply.</p> <p>12.5 Daily Imbalances During Critical Period Events</p> <p>12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 19394 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 19394

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012 Terms & Conditions</p> |
| T-65 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 19394

CURRENT RATE COMPONENT

RATE COMP. ID

DESCRIPTION

between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.

EXHIBIT A

TO TRANSPORTATION SERVICE AGREEMENT

Page 1 of 2

SHIPPER INFORMATION Name of Shipper:

Number: _____ Shipper's Dunn's

Shipper's Email Billing Address: _____ Shipper's Physical Business Address:

Note: Bills are rendered via E-mail and are due and payable

when E-mail is sent by Company. _____ Shipper's Business Email Address:

GENERAL INFORMATION Term of Service

Begin Date:

End Date:

Evergreen: Yes or No

Period of Evergreen: 1 Year, 2 Years, etc. _____

Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:

Facility Information End-User Business Name: _____

End-User

End-User Dunn's Number: _____

Service (Business) Address: _____

End-User Facility Contact

for Operating Information and Emergency Notices Name: _____

Office Telephone: _____

Office Fax: _____

E-Mail Address: _____

Delivery Information Number of Meters Receiving Transportation Service: _____

Delivery Point(s): _____

Receipt Point(s): _____

Quantities: MDQ (in MMBtu/day) _____

Upstream Pipeline Contact for Confirmations Name: _____

Office Telephone: _____

Fax: _____

Office

E-Mail Address: _____

EXHIBIT A

TO TRANSPORTATION SERVICE AGREEMENT

Page 2 of 2

NOTICES TO SHIPPER

Operational Notices Supply Coordinator: _____

Office Fax: _____

Office Telephone: _____

Business E-Mail Address: _____

Other Notices

Marketing Representative: _____

All

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 19394

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | Office Fax: _____ Office Telephone: _____ |
| | Business E-Mail Address: _____ Business Mailing Address: _____ |
| | Operational Notices Employee Name: _____ Office |
| | Fax: _____ Office Telephone: _____ |
| | Business E-Mail Address: _____ |
| | All Other Notices Employee Name: _____ Office Fax: _____ |
| | Business E-Mail Address: _____ Office Telephone: _____ |
| | Business Mailing Address: _____ |
| | INDEX FOR SHIPPER CASH-OUT |
| | CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable |
| | Daily Index: _____ |
| | ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of |
| | End-User: _____ Date of Execution by End-User: _____ |

Tnspt Terms T-65 A

CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65

1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65

2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 19394 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company appraised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s);</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 19394 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 19394

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 234 | D | MMBtu | \$.0000 | 11/01/2011 | N |
| DESCRIPTION: NACOGDOCHES, INC. | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |
| 43021 | D | MMBtu | \$.0000 | 03/01/2008 | N |
| DESCRIPTION: SCHULENBURG, INC. | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |
| 43019 | D | MMBtu | \$.0000 | 06/01/2007 | N |
| DESCRIPTION: SAN MARCOS, INC. | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |
| 43023 | D | MMBtu | \$.0000 | 12/01/2012 | N |
| DESCRIPTION: SEGUIN, INC. | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |
| 58938 | D | MMBtu | \$.0000 | 06/01/2007 | N |
| DESCRIPTION: MT. PLEASANT, INC. | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |
| 86373 | D | MMBtu | \$.0000 | 08/01/2013 | N |
| DESCRIPTION: ORE CITY, ENVIRONS | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 19411

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 08/01/2007 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-------------------------|----------------------|-----------------------|
| 28436 | RANDOLPH AIR FORCE BASE | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 19411

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 19411

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-65 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 19411

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 19411

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> |
| Tnspt Terms T-65 B | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 19411 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 19411

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|--|-----------------------|---------|----------|-----------------|------------------------------|--------------|-------------------|---------------------------|----------------|----------------------------------|---------------|------|-----|-----|-----------------|----------------------|-----|-----|-----|------|-----------------------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%; text-align: center;">Underage</td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays</td> </tr> <tr> <td style="text-align: center;">Percentage of the</td> <td style="text-align: center;">the Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-Out Price</td> <td style="text-align: center;">From 0% to 5%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">100% From 5% to</td> </tr> <tr> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td style="text-align: center;">140% Greater than 20%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date</p> | | Overage | Underage | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Percentage of the | the Company the Following | Cash-Out Price | Percentage of the Cash-Out Price | From 0% to 5% | 100% | 10% | 80% | 100% From 5% to | 130% From 15% to 20% | 60% | 70% | 50% | 150% | 140% Greater than 20% |
| | Overage | Underage | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | the Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | From 0% to 5% | 100% | | | | | | | | | | | | | | | | | | | | |
| 10% | 80% | 100% From 5% to | | | | | | | | | | | | | | | | | | | | |
| 130% From 15% to 20% | 60% | 70% | | | | | | | | | | | | | | | | | | | | |
| 50% | 150% | 140% Greater than 20% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 19411 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>(the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> <p>Terms & Conditions</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 19411

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------------------|-----------------------|-----------------------|---------------------|
| 66345 | D | MMBtu | \$.0000 | 08/01/2007 | N |
| DESCRIPTION: UNIVERSAL CITY, INC. | | | | | |
| Customer | 28436 | RANDOLPH AIR FORCE BASE | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The rate is substantially the same as the rate between the gas utility and at least two of those customers under the same or similar conditions of service.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20587

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 06/01/2008 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 29240 | LUMINANT ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 20587**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| PSIF-9 | 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. |
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: right;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>_____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>_____ GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20587

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 20587

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 20587 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |
| Tnspt Terms T-69 B | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20587

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 20587**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|---|-------------------------|------------------|----------|--|-----------------|------------------------------|------------------|-----------|-------------------------|-----------------------|----------------|---------------|------|---------------------|-------------------------|------------------|-----|-----|-----|-----|------|------------------|----------------------|------|--|-----|------|--|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">Overage</td> <td style="width: 25%; text-align: center;">Underage</td> <td style="width: 25%;"></td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> <td style="text-align: center;">Following</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> <td style="text-align: center;">Percentage of</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">Out Price From 0% to 5%</td> <td style="text-align: center;">120% From 10% to</td> </tr> <tr> <td style="text-align: center;">15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: center;">140%</td> <td style="text-align: center;">Greater than 20%</td> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">150%</td> </tr> <tr> <td></td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td></td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | | Overage | Underage | | Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following | Percentage of the Cash- | Company the Following | Cash-Out Price | Percentage of | 100% | 100% From 5% to 10% | Out Price From 0% to 5% | 120% From 10% to | 15% | 70% | 80% | 60% | 140% | Greater than 20% | 130% From 15% to 20% | 150% | | 50% | 150% | |
| | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | Company the Following | Cash-Out Price | Percentage of | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | Out Price From 0% to 5% | 120% From 10% to | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15% | 70% | 80% | 60% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 140% | Greater than 20% | 130% From 15% to 20% | 150% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 50% | 150% | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20587

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20587

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20587

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 150 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 352 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: TEXAS CITY, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 43033 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: VICTORIA, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 55670 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 55675 | D | MMBtu | \$.0000 | 03/01/2009 | N |
| DESCRIPTION: RICHMOND, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58921 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: ALVIN, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58924 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: CONROE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58930 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: PASADENA, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58933 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: STAFFORD, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20587

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-----------------|-----------------------|-----------------------|---------------------|
| 58935 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: WEBSTER, INC. | | | | | |
| Customer | 29240 | LUMINANT ENERGY | | | |
| 58943 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: GALENA PARK, ENVIRONS | | | | | |
| Customer | 29240 | LUMINANT ENERGY | | | |
| 66267 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: WHARTON, INC. | | | | | |
| Customer | 29240 | LUMINANT ENERGY | | | |
| 68836 | D | MMBtu | \$.0000 | 07/01/2008 | N |
| DESCRIPTION: BROOKSHIRE, ENVIRONS | | | | | |
| Customer | 29240 | LUMINANT ENERGY | | | |
| 68837 | D | MMBtu | \$.0000 | 01/01/2008 | N |
| DESCRIPTION: ANGLETON, INC. | | | | | |
| Customer | 29240 | LUMINANT ENERGY | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20589

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | Period of Evergreen: 1 Year, 2 Years, etc. Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 20589

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20589

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-65 B</p> | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 20589 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 20589**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|--|---------------|---|------------------|---------|----------|-----------------|---------------------------|--|----------------|-----------|-------------------|----------------------------------|---------------|------|------|-----|-----|------|-----------------|-----|------|-----------------|-----|------|------------------|-----|------|--------|---|--|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"></td> <td style="width: 30%; text-align: center;">The Company Pays Shipper the</td> <td style="width: 30%; text-align: center;">Shipper Pays</td> <td style="width: 10%; text-align: center;">Overage</td> <td style="width: 10%; text-align: center;">Underage</td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">the Company the Following</td> <td></td> <td style="text-align: center;">Cash-Out Price</td> <td style="text-align: center;">Following</td> </tr> <tr> <td style="text-align: center;">Percentage of the</td> <td style="text-align: center;">Percentage of the Cash-Out Price</td> <td style="text-align: center;">From 0% to 5%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">120%</td> <td style="text-align: center;">From 10% to 15%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;">130%</td> <td style="text-align: center;">From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">140%</td> <td style="text-align: center;">Greater than 20%</td> </tr> <tr> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td style="text-align: center;">12.7.2</td> <td colspan="2">In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date </td> </tr> </table> | | The Company Pays Shipper the | Shipper Pays | Overage | Underage | Imbalance Level | the Company the Following | | Cash-Out Price | Following | Percentage of the | Percentage of the Cash-Out Price | From 0% to 5% | 100% | 100% | 10% | 80% | 120% | From 10% to 15% | 70% | 130% | From 15% to 20% | 60% | 140% | Greater than 20% | 50% | 150% | 12.7.2 | In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date | |
| | The Company Pays Shipper the | Shipper Pays | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | the Company the Following | | Cash-Out Price | Following | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | Percentage of the Cash-Out Price | From 0% to 5% | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10% | 80% | 120% | From 10% to 15% | 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 130% | From 15% to 20% | 60% | 140% | Greater than 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50% | 150% | 12.7.2 | In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20589

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>(the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20589

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 234 | D | MMBtu | \$.0000 | 06/01/2007 | N |
| DESCRIPTION: NACOGDOCHES, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 42978 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: CHEEK, ENVIRONS | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 43009 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: LUFKIN, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 43015 | D | MMBtu | \$.0000 | 06/01/2009 | N |
| DESCRIPTION: ORANGE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 43033 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: VICTORIA, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58927 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: GRAPELAND, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 73133 | D | MMBtu | \$.0000 | 12/01/2009 | N |
| DESCRIPTION: ALICE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20657

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 08/21/2014

INITIAL SERVICE DATE: 05/01/2008 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 7/1/14: Add Delivery Point - Pecan Grove Env to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20657

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-72 B | <p>Continuation from Tnspt Terms T-72 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72</p> <p>11. FACILITIES</p> <p>11.1 For any Exhibit A effective prior to June 1, 2012:</p> <p>11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry.</p> <p>11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2 For any Exhibit A effective on or after June 1, 2012:</p> <p>11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point.</p> <p>11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point.</p> <p>11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule.</p> <p>11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A:</p> <p>11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or</p> <p>11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month</p> <p>11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer.</p> <p>11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service.</p> <p>12. BALANCING</p> <p>12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply.</p> <p>12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical.</p> <p>12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances.</p> <p>12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply.</p> <p>12.5 Daily Imbalances During Critical Period Events</p> <p>12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers.</p> <p>12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20657

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | |
|-------------------------|---|----------------------|------------------------------|------------------|-----------|-------------------------|-----------------------|----------------|-------------------|------|---------------------|-----|----------------------|------|-----|----------------------|-----|------------------|-----|------|--|
| | <p>of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Imbalance Level</th> <th style="text-align: center;">The Company Pays Shipper the</th> <th style="text-align: center;">Shipper Pays the</th> <th style="text-align: center;">Following</th> </tr> <tr> <th style="text-align: left;">Percentage of the Cash-</th> <th style="text-align: center;">Company the Following</th> <th style="text-align: center;">Cash-Out Price</th> <th style="text-align: center;">Percentage of the</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">120% From 10% to 15%</td> </tr> <tr> <td style="text-align: center;">140%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: center;">Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td></td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be</p> | Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following | Percentage of the Cash- | Company the Following | Cash-Out Price | Percentage of the | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 140% | 70% | 130% From 15% to 20% | 60% | Greater than 20% | 50% | 150% | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | Company the Following | Cash-Out Price | Percentage of the | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | | | | | | | | | | | | | | | | | | |
| 140% | 70% | 130% From 15% to 20% | 60% | | | | | | | | | | | | | | | | | | |
| Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 20657 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY,</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 20657**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012 Terms & Conditions</p> |
| PSIF-9 | <p>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.</p> |
| T-72 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 29, 2008 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20657

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Shipper's Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____ Evergreen: Yes or No _____ Period of Evergreen: 1 Year, 2 Years, etc. _____</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____</p> <p>End-User Facility Information End-User Business Name: _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____</p> |

All

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20657

CURRENT RATE COMPONENT

Table with columns RATE COMP. ID and DESCRIPTION. Includes fields for Marketing Representative, Operational Notices Employee Name, All Other Notices Employee Name, and ACKNOWLEDGEMENTS.

Tnspt Terms T-72 A

CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72 1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-72 2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day but less than 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20657

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20657

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20657

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 150 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 10 | D | MMBtu | \$.0000 | 04/01/2009 | N |
| DESCRIPTION: ANGLETON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 149 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 194 | D | MMBtu | \$.0000 | 10/01/2010 | N |
| DESCRIPTION: LA PORTE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 352 | D | MMBtu | \$.0000 | 09/01/2009 | N |
| DESCRIPTION: TEXAS CITY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55670 | D | MMBtu | \$.0000 | 06/01/2010 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55673 | D | MMBtu | \$.0000 | 05/01/2008 | N |
| DESCRIPTION: BAYTOWN, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55675 | D | MMBtu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: RICHMOND, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55678 | D | MMBtu | \$.0000 | 09/01/2009 | N |
| DESCRIPTION: LA PORTE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58923 | D | MMBtu | \$.0000 | 01/01/2010 | N |
| DESCRIPTION: CHANNEL AREA, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20657

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 58924 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: CONROE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58926 | D | MMBtu | \$.0000 | 05/01/2014 | N |
| DESCRIPTION: DEER PARK, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58928 | D | MMBtu | \$.0000 | 01/01/2010 | N |
| DESCRIPTION: HUMBLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58929 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: MONTGOMERY COUNTY, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58933 | D | MMBtu | \$.0000 | 02/01/2010 | N |
| DESCRIPTION: STAFFORD, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58935 | D | MMBtu | \$.0000 | 07/01/2013 | N |
| DESCRIPTION: WEBSTER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58936 | D | MMBtu | \$.0000 | 07/01/2008 | N |
| DESCRIPTION: WOODLANDS, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 66265 | D | MMBtu | \$.0000 | 06/01/2009 | N |
| DESCRIPTION: BAYTOWN, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 66267 | D | MMBtu | \$.0000 | 07/01/2013 | N |
| DESCRIPTION: WHARTON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 67772 | D | MMBtu | \$.0000 | 06/01/2013 | N |
| DESCRIPTION: LAKE JACKSON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20657

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 68172 | D | MMBtu | \$.0000 | 06/01/2008 | N |
| DESCRIPTION: NASSAU BAY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68835 | D | MMBtu | \$.0000 | 01/01/2009 | N |
| DESCRIPTION: FREEPORT, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68836 | D | MMBtu | \$.0000 | 08/01/2010 | N |
| DESCRIPTION: BROOKSHIRE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68838 | D | MMBtu | \$.0000 | 07/01/2008 | N |
| DESCRIPTION: BARRETT'S SETTLEMENT, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73135 | D | MMBtu | \$.0000 | 02/01/2009 | N |
| DESCRIPTION: HIGHLANDS, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73137 | D | MMBtu | \$.0000 | 02/01/2009 | N |
| DESCRIPTION: SUGAR LAND, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73143 | D | MMBtu | \$.0000 | 07/01/2009 | N |
| DESCRIPTION: HUMBLE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77067 | D | MMBtu | \$.0000 | 10/01/2010 | N |
| DESCRIPTION: SOUTHSIDE PLACE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 80624 | D | MMBtu | \$.0000 | 07/01/2014 | N |
| DESCRIPTION: PECAN GROVE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20657

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20658

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 07/01/2008 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 29391 | CONSTELLATION | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20658

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| PSIF-9 | 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. |
| T-72 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 29, 2008 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p style="text-align: center;">_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">Begin Date: _____ GENERAL INFORMATION Term of Service _____</p> <p style="text-align: center;">_____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20658

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 20658 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>records to demonstrate such costs and to substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 20658 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>days in the Service Month. Once a nomination is made and confirmed by Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> <p>Terms & Conditions</p> <p>Tnspt Terms T-72 B Continuation from Tnspt Terms T-72 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 20658 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20658

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|---|--|---|---|------------------------------------|---|------|---------------------|-----|----------------------|------|-----|----------------------|-----|------------------|-----|------|---|
| | <p>obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 611 487 709">Imbalance Level Percentage of the Cash-</th> <th data-bbox="487 611 893 709">The Company Pays Shipper the Company the Following</th> <th data-bbox="893 611 1218 709">Shipper Pays the Cash-Out Price</th> <th data-bbox="1218 611 1502 709">Overage Underage Following Percentage of the</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 709 487 737">100%</td> <td data-bbox="487 709 893 737">100% From 5% to 10%</td> <td data-bbox="893 709 1218 737">80%</td> <td data-bbox="1218 709 1502 737">120% From 10% to 15%</td> </tr> <tr> <td data-bbox="284 737 487 764">140%</td> <td data-bbox="487 737 893 764">70%</td> <td data-bbox="893 737 1218 764">130% From 15% to 20%</td> <td data-bbox="1218 737 1502 764">60%</td> </tr> <tr> <td data-bbox="284 764 487 791">Greater than 20%</td> <td data-bbox="487 764 893 791">50%</td> <td data-bbox="893 764 1218 791">150%</td> <td data-bbox="1218 764 1502 791">12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall </td> </tr> </tbody> </table> | Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Overage Underage Following Percentage of the | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 140% | 70% | 130% From 15% to 20% | 60% | Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall |
| Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Overage Underage Following Percentage of the | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | | | | | | | | | | | | | | |
| 140% | 70% | 130% From 15% to 20% | 60% | | | | | | | | | | | | | | |
| Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20658

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20658

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|---------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 07/01/2008 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 29391 | CONSTELLATION | | | |
| 150 | D | MMBtu | \$.0000 | 09/01/2009 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer | 29391 | CONSTELLATION | | | |
| 58929 | D | MMBtu | \$.0000 | 09/01/2008 | N |
| DESCRIPTION: MONTGOMERY COUNTY, ENVIRONS | | | | | |
| Customer | 29391 | CONSTELLATION | | | |
| 58933 | D | MMBtu | \$.0000 | 01/01/2013 | N |
| DESCRIPTION: STAFFORD, INC. | | | | | |
| Customer | 29391 | CONSTELLATION | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20659

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 05/01/2008 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 29240 | LUMINANT ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20659

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| PSIF-9 | 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. |
| T-72 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 29, 2008 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Shipper's Physical Business Address: _____</p> <p>Shipper's Email Billing Address: _____</p> <p>Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p>Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20659

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20659

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-72 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-72</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day but less than 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 20659 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>records to demonstrate such costs and to substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20659

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>days in the Service Month. Once a nomination is made and confirmed by Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> <p>Terms & Conditions</p> |
| <p>Tnspt Terms T-72 B</p> | <p>Continuation from Tnspt Terms T-72 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20659

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20659

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|---|--|---|---|------------------------------------|--|------|---------------------|-----|----------------------|------|-----|----------------------|-----|------------------|-----|------|---|
| | <p>obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 609 487 703">Imbalance Level Percentage of the Cash-</th> <th data-bbox="487 609 893 703">The Company Pays Shipper the Company the Following</th> <th data-bbox="893 609 1218 703">Shipper Pays the Cash-Out Price</th> <th data-bbox="1218 609 1502 703">Following Underage Percentage of the</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 703 487 745">100%</td> <td data-bbox="487 703 893 745">100% From 5% to 10%</td> <td data-bbox="893 703 1218 745">80%</td> <td data-bbox="1218 703 1502 745">120% From 10% to 15%</td> </tr> <tr> <td data-bbox="284 745 487 787">140%</td> <td data-bbox="487 745 893 787">70%</td> <td data-bbox="893 745 1218 787">130% From 15% to 20%</td> <td data-bbox="1218 745 1502 787">60%</td> </tr> <tr> <td data-bbox="284 787 487 829">Greater than 20%</td> <td data-bbox="487 787 893 829">50%</td> <td data-bbox="893 787 1218 829">150%</td> <td data-bbox="1218 787 1502 829">12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall </td> </tr> </tbody> </table> | Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Following Underage Percentage of the | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 140% | 70% | 130% From 15% to 20% | 60% | Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall |
| Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Following Underage Percentage of the | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | | | | | | | | | | | | | | |
| 140% | 70% | 130% From 15% to 20% | 60% | | | | | | | | | | | | | | |
| Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20659

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20659

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20659

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 66267 | D | MMBtu | \$.0000 | 09/01/2008 | N |
| DESCRIPTION: WHARTON, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 67772 | D | MMBtu | \$.0000 | 05/01/2008 | N |
| DESCRIPTION: LAKE JACKSON, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 67773 | D | MMBtu | \$.0000 | 07/01/2008 | N |
| DESCRIPTION: LIVERPOOL, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 68836 | D | MMBtu | \$.0000 | 02/01/2009 | N |
| DESCRIPTION: BROOKSHIRE, ENVIRONS | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 73136 | D | MMBtu | \$.0000 | 03/01/2009 | N |
| DESCRIPTION: SANTA FE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 149 | D | MMBtu | \$.0000 | 05/01/2008 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 150 | D | MMBtu | \$.0000 | 08/01/2008 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 194 | D | MMBtu | \$.0000 | 06/01/2009 | N |
| DESCRIPTION: LA PORTE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 55675 | D | MMBtu | \$.0000 | 01/01/2009 | N |
| DESCRIPTION: RICHMOND, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58921 | D | MMBtu | \$.0000 | 03/01/2010 | N |
| DESCRIPTION: ALVIN, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20659

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 58926 | D | MMBtu | \$.0000 | 05/01/2008 | N |
| DESCRIPTION: DEER PARK, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58933 | D | MMBtu | \$.0000 | 10/01/2010 | N |
| DESCRIPTION: STAFFORD, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58935 | D | MMBtu | \$.0000 | 01/01/2010 | N |
| DESCRIPTION: WEBSTER, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20685

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 12/01/2008 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 29391 | CONSTELLATION | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20685

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| PSIF-9 | 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. |
| T-65 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">_____ Shipper's Email Billing Address: _____</p> <p style="text-align: center;">_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">_____ GENERAL INFORMATION Term of Service</p> <p style="text-align: center;">Begin Date: _____ End Date: _____</p> <p style="text-align: center;">_____ Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 20685

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | Period of Evergreen: 1 Year, 2 Years, etc. _____ Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20685

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-65 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 20685

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 20685

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> |
| Tnspt Terms T-65 B | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 20685

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 20685**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|---|-----------------------|---------|----------|-----------------|------------------------------|--------------|-------------------|---------------------------|----------------|----------------------------------|---------------|------|-----|-----|------|----------------------|-----|-----|-----|------|-----------------------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%; text-align: center;">Underage</td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays</td> </tr> <tr> <td style="text-align: center;">Percentage of the</td> <td style="text-align: center;">the Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-Out Price</td> <td style="text-align: center;">From 0% to 5%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td style="text-align: center;">140% Greater than 20%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date</p> | | Overage | Underage | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Percentage of the | the Company the Following | Cash-Out Price | Percentage of the Cash-Out Price | From 0% to 5% | 100% | 10% | 80% | 100% | 130% From 15% to 20% | 60% | 70% | 50% | 150% | 140% Greater than 20% |
| | Overage | Underage | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | the Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | From 0% to 5% | 100% | | | | | | | | | | | | | | | | | | | | |
| 10% | 80% | 100% | | | | | | | | | | | | | | | | | | | | |
| 130% From 15% to 20% | 60% | 70% | | | | | | | | | | | | | | | | | | | | |
| 50% | 150% | 140% Greater than 20% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 20685 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>(the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> <p>Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 20685**

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 48 | D | MMBtu | \$.0000 | 12/01/2008 | N |
| DESCRIPTION: CARTHAGE, ENVIRONS | | | | | |
| Customer 29391 CONSTELLATION | | | | | |
| 234 | D | MMBtu | \$.0000 | 12/01/2008 | N |
| DESCRIPTION: NACOGDOCHES, INC. | | | | | |
| Customer 29391 CONSTELLATION | | | | | |
| 42991 | D | MMBtu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: HENDERSON, INC. | | | | | |
| Customer 29391 CONSTELLATION | | | | | |
| 43028 | D | MMBtu | \$.0000 | 12/01/2008 | N |
| DESCRIPTION: TENAHA, ENVIRONS | | | | | |
| Customer 29391 CONSTELLATION | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22129

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 05/01/2009 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 29240 | LUMINANT ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22129

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">_____ Shipper's Email Billing Address: _____</p> <p style="text-align: center;">_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">_____ GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____</p> <p style="text-align: center;">_____ Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22129

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | Period of Evergreen: 1 Year, 2 Years, etc. _____ Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22129 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>End-User: _____ Date of Execution by End-User: _____</p> |
| Tnspt Terms T-76 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22129 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22129 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p>Terms & Conditions</p> <p>Tnspt Terms T-76 B Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22129 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22129

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|--|---|--|--|---|---------|------|---------------------|-----|--|----------------------|-----|----------------------|-----|-----------------------|-----|------|---------------------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 598 535 682">Underage Imbalance Level Following Percentage of the Percentage of the Cash-</th> <th data-bbox="535 598 966 682">The Company Pays Shipper the Company the Following</th> <th data-bbox="966 598 1372 682">Shipper Pays the Cash-Out Price Out Price From 0% to 5%</th> <th data-bbox="1372 598 1502 682">Overage</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 682 535 714">100%</td> <td data-bbox="535 682 966 714">100% From 5% to 10%</td> <td data-bbox="966 682 1372 714">80%</td> <td data-bbox="1372 682 1502 714"></td> </tr> <tr> <td data-bbox="284 714 535 745">120% From 10% to 15%</td> <td data-bbox="535 714 966 745">70%</td> <td data-bbox="966 714 1372 745">130% From 15% to 20%</td> <td data-bbox="1372 714 1502 745">60%</td> </tr> <tr> <td data-bbox="284 745 535 777">140% Greater than 20%</td> <td data-bbox="535 745 966 777">50%</td> <td data-bbox="966 745 1372 777">150%</td> <td data-bbox="1372 745 1502 777">12.7.2 In the event</td> </tr> </tbody> </table> <p>of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than</p> | Underage Imbalance Level Following Percentage of the Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price Out Price From 0% to 5% | Overage | 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% | 12.7.2 In the event |
| Underage Imbalance Level Following Percentage of the Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price Out Price From 0% to 5% | Overage | | | | | | | | | | | | | | |
| 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% | 12.7.2 In the event | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22129

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |

Terms & Conditions

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22129 |
|------------------------|-----------------------------|

| |
|------------------------------------|
| RATE ADJUSTMENT PROVISIONS: |
|------------------------------------|

| |
|------|
| None |
|------|

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22129

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 150 | D | MMBtu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 194 | D | MMBtu | \$.0000 | 08/01/2010 | N |
| DESCRIPTION: LA PORTE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 352 | D | MMBtu | \$.0000 | 12/01/2009 | N |
| DESCRIPTION: TEXAS CITY, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 55670 | D | MMBtu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 55673 | D | MMBtu | \$.0000 | 07/01/2012 | N |
| DESCRIPTION: BAYTOWN, ENVIRONS | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58924 | D | MMBtu | \$.0000 | 07/01/2009 | N |
| DESCRIPTION: CONROE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58930 | D | MMBtu | \$.0000 | 07/01/2009 | N |
| DESCRIPTION: PASADENA, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 58933 | D | MMBtu | \$.0000 | 07/01/2011 | N |
| DESCRIPTION: STAFFORD, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 66265 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: BAYTOWN, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22129

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 67773 | D | MMBtu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: LIVERPOOL, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 68172 | D | MMBtu | \$.0000 | 12/01/2012 | N |
| DESCRIPTION: NASSAU BAY, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 68836 | D | MMBtu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: BROOKSHIRE, ENVIRONS | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 73134 | D | MMBtu | \$.0000 | 12/01/2009 | N |
| DESCRIPTION: SOUTH HOUSTON, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 73140 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: KATY, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 73144 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: BELLAIRE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 77072 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: SPRING VALLEY, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 77075 | D | MMBtu | \$.0000 | 06/01/2010 | N |
| DESCRIPTION: ROSENBERG, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 77972 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: FREEPORT, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 77973 | D | MMBtu | \$.0000 | 07/01/2011 | N |
| DESCRIPTION: CLUTE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22129

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-----------------|-----------------------|-----------------------|---------------------|
| 86375 | D | MMBtu | \$.0000 | 08/01/2013 | N |
| DESCRIPTION: MONT BELVIEU, ENVIRONS | | | | | |
| Customer | 29240 | LUMINANT ENERGY | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22130

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 09/22/2014

INITIAL SERVICE DATE: 05/01/2009 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effectiive 8-1-14: Add Delivery Point - Humble Inc to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 29391 | CONSTELLATION | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 22130**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| PSIF-9 | 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. |
| Tnspt Terms T-76 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22130 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22130

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22130

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Shipper's Email Billing Address: _____ Shipper's Physical Business Address: _____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>Begin Date: _____ End Date: _____</p> <p>_____ Evergreen: Yes or No</p> <p>Period of Evergreen: 1 Year, 2 Years, etc. _____</p> <p>_____ Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____</p> <p>Facility Information End-User Business Name: _____ End-User Dunn's Number: _____</p> <p>_____ End-User Physical Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>_____ Receipt Point(s): _____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22130

CURRENT RATE COMPONENT

Table with columns RATE COMP. ID and DESCRIPTION. Includes fields for EXHIBIT A, Operational Notices, Other Notices, Marketing Representative, and various contact information fields like E-Mail Address, Office Fax, Office Telephone, and Business Mailing Address.

Tnspt Terms T-76 B

Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22130

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22130

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|--------------------------|------------------------------|------------------|---------|-----------------------------|-----------------------|--|----------------|-------------------------|--|--|-------------------------|------|---------------------|--|-----|----------------------|-----|----------------------|-----|-----------------------|-----|------|---------------------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0"> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> <td style="text-align: center;">Overage</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td></td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td></td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td style="text-align: center;">12.7.2 In the event</td> </tr> </table> <p>of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than</p> | Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Overage | Following Percentage of the | Company the Following | | Cash-Out Price | Percentage of the Cash- | | | Out Price 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% | 12.7.2 In the event |
| Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Overage | | | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | | Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | | Out Price 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% | 12.7.2 In the event | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22130 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p>Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22130

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 07/01/2009 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 29391 CONSTELLATION | | | | | |
| 150 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 29391 CONSTELLATION | | | | | |
| 55670 | D | MMBtu | \$.0000 | 01/01/2013 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 29391 CONSTELLATION | | | | | |
| 58928 | D | MMBtu | \$.0000 | 08/01/2014 | N |
| DESCRIPTION: HUMBLE, INC. | | | | | |
| Customer 29391 CONSTELLATION | | | | | |
| 58930 | D | MMBtu | \$.0000 | 06/01/2011 | N |
| DESCRIPTION: PASADENA, INC. | | | | | |
| Customer 29391 CONSTELLATION | | | | | |
| 77977 | D | MMBtu | \$.0000 | 06/01/2011 | N |
| DESCRIPTION: KATY, ENVIRONS | | | | | |
| Customer 29391 CONSTELLATION | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 06/16/2014

INITIAL SERVICE DATE: 06/01/2009 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 5/1/14: Add Delivery Point - Carthage Inc to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22196

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75</p> <p>11. FACILITIES</p> <p>11.1 For any Exhibit A effective prior to June 1, 2012:</p> <p>11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry.</p> <p>11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2 For any Exhibit A effective on or after June 1, 2012:</p> <p>11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point.</p> <p>11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point.</p> <p>11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule.</p> <p>11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A:</p> <p>11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or</p> <p>11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month</p> <p>11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer.</p> <p>11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service.</p> <p>12. BALANCING</p> <p>12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply.</p> <p>12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical.</p> <p>12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances.</p> <p>12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply.</p> <p>12.5 Daily Imbalances During Critical Period Events</p> <p>12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers.</p> <p>12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22196

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|--|---|--|--|------------------|------------------------|------|---------------------|-----|-------------------------|--------|--|--|---------------|-----------------------|-----|------|-----|
| | <p>of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Underage Imbalance Level Following Percentage of the Percentage of the Cash-</th> <th style="text-align: left;">The Company Pays Shipper the Following</th> <th style="text-align: left;">Shipper Pays the</th> <th style="text-align: left;">Overage Cash-Out Price</th> </tr> </thead> <tbody> <tr> <td>100%</td> <td>100% From 5% to 10%</td> <td>80%</td> <td>Out Price From 0% to 5%</td> </tr> <tr> <td>to 15%</td> <td></td> <td></td> <td>120% From 10%</td> </tr> <tr> <td>140% Greater than 20%</td> <td>50%</td> <td>150%</td> <td>60%</td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be</p> | Underage Imbalance Level Following Percentage of the Percentage of the Cash- | The Company Pays Shipper the Following | Shipper Pays the | Overage Cash-Out Price | 100% | 100% From 5% to 10% | 80% | Out Price From 0% to 5% | to 15% | | | 120% From 10% | 140% Greater than 20% | 50% | 150% | 60% |
| Underage Imbalance Level Following Percentage of the Percentage of the Cash- | The Company Pays Shipper the Following | Shipper Pays the | Overage Cash-Out Price | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | Out Price From 0% to 5% | | | | | | | | | | | | | | |
| to 15% | | | 120% From 10% | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | 60% | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 22196

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination of all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY,

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22196

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| PSIF-9 | <p>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.</p> |
| T-75 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00; plus (ii) First 750 MMBtu @ \$0.97 per MMBtu; Over 750 MMBtu @ \$0.57 per MMBtu; plus (iii) Capacity Charge @ \$0.045 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____ Shipper's Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____ Evergreen: Yes or No _____</p> <p>Period of Evergreen: 1 Year, 2 Years, etc. _____</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____</p> <p>End-User Facility Information End-User Business Name: _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____</p> <p>Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____</p> |

All

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | Other Notices Marketing Representative: |
| | Office Fax: _____ Office Telephone: _____ |
| | Business E-Mail Address: _____ Business Mailing Address: _____ |
| | Operational Notices Employee Name: _____ NOTICES TO END-USER Office |
| | Fax: _____ Office Telephone: _____ |
| | Business E-Mail Address: _____ |
| | All Other Notices Employee Name: _____ Office Fax: _____ |
| | Office Telephone: _____ |
| | Business E-Mail Address: _____ Business Mailing Address: _____ |
| | INDEX FOR SHIPPER CASH-OUT |
| | CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ |
| | Daily Index: _____ Applicable |
| | ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ |
| | End-User: _____ Signature of _____ Date of Execution by End-User: _____ |

Tnspt Terms T-75 A

CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75

1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-75

2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees,

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22196 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22196

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

Terms & Conditions

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 96 | D | MMBtu | \$.0000 | 06/01/2009 | N |
| DESCRIPTION: EL CAMPO, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 155 | D | MMBtu | \$.0000 | 08/01/2009 | N |
| DESCRIPTION: HUNTSVILLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 234 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: NACOGDOCHES, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 34649 | D | MMBtu | \$.0000 | 04/01/2010 | N |
| DESCRIPTION: MT. PLEASANT | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 359 | D | MMBtu | \$.0000 | 11/01/2010 | N |
| DESCRIPTION: TYLER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42970 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: BASTROP, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42975 | D | MMBtu | \$.0000 | 05/01/2014 | N |
| DESCRIPTION: CARTHAGE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42977 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: CENTER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42978 | D | MMBtu | \$.0000 | 12/02/0012 | N |
| DESCRIPTION: CHEEK, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42981 | D | MMBtu | \$.0000 | 12/01/2012 | N |
| DESCRIPTION: CLEVELAND, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 42987 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: DIBOLL, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42991 | D | MMBtu | \$.0000 | 07/01/2010 | N |
| DESCRIPTION: HENDERSON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42994 | D | MMBtu | \$.0000 | 06/01/2012 | N |
| DESCRIPTION: HUNTSVILLE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42997 | D | MMBtu | \$.0000 | 11/01/2010 | N |
| DESCRIPTION: JACKSONVILLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 42999 | D | MMBtu | \$.0000 | 06/01/2010 | N |
| DESCRIPTION: JASPER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43002 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: LAREDO, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43003 | D | MMBtu | \$.0000 | 04/01/2011 | N |
| DESCRIPTION: LAREDO, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43004 | D | MMBtu | \$.0000 | 10/01/2012 | N |
| DESCRIPTION: LATEXO, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43006 | D | MMBtu | \$.0000 | 09/01/2010 | N |
| DESCRIPTION: LONGVIEW, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43007 | D | MMBtu | \$.0000 | 11/01/2010 | N |
| DESCRIPTION: LONGVIEW, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 43009 | D | MMBtu | \$.0000 | 09/01/2010 | N |
| DESCRIPTION: LUFKIN, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43011 | D | MMBtu | \$.0000 | 06/01/2011 | N |
| DESCRIPTION: MARSHALL, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43013 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: NEW BRAUNFELS, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43014 | D | MMBtu | \$.0000 | 07/01/2012 | N |
| DESCRIPTION: NEW BRAUNFELS, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43015 | D | MMBtu | \$.0000 | 03/01/2011 | N |
| DESCRIPTION: ORANGE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43019 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: SAN MARCOS, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43023 | D | MMBtu | \$.0000 | 08/01/2011 | N |
| DESCRIPTION: SEGUIN, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43026 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: SILSBEE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 23 | D | MMBtu | \$.0000 | 01/01/2009 | N |
| DESCRIPTION: BEAUMONT, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 60 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: CLEVELAND, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 43027 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: SILSBEE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43030 | D | MMBtu | \$.0000 | 07/01/2010 | N |
| DESCRIPTION: TYLER, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43033 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: VICTORIA, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55674 | D | MMBtu | \$.0000 | 09/01/2011 | N |
| DESCRIPTION: EL CAMPO, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58920 | D | MMBtu | \$.0000 | 12/01/2013 | N |
| DESCRIPTION: GILMER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58938 | D | MMBtu | \$.0000 | 04/01/2010 | N |
| DESCRIPTION: MT. PLEASANT, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 71798 | D | MMBtu | \$.0000 | 06/01/2009 | N |
| DESCRIPTION: KILGORE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 71799 | D | MMBtu | \$.0000 | 09/01/2009 | N |
| DESCRIPTION: WEST ORANGE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73133 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: ALICE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73138 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: LA GRANGE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 73139 | D | MMBTu | \$.0000 | 06/01/2010 | N |
| DESCRIPTION: EAGLE LAKE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77066 | D | MMBTu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: CROCKETT, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77068 | D | MMBTu | \$.0000 | 11/01/2010 | N |
| DESCRIPTION: GANADO, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77070 | D | MMBTu | \$.0000 | 01/01/2010 | N |
| DESCRIPTION: JOURDANTON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77071 | D | MMBTu | \$.0000 | 09/01/2010 | N |
| DESCRIPTION: PLEASANTON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77076 | D | MMBTu | \$.0000 | 08/01/2010 | N |
| DESCRIPTION: ATLANTA, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77125 | D | MMBTu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: VIDOR, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77126 | D | MMBTu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: TROUP, ENV | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77968 | D | MMBTu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: GILMER, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77969 | D | MMBTu | \$.0000 | 04/01/2011 | N |
| DESCRIPTION: KILGORE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 77970 | D | MMBtu | \$.0000 | 07/01/2011 | N |
| DESCRIPTION: MINEOLA, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77971 | D | MMBtu | \$.0000 | 08/01/2011 | N |
| DESCRIPTION: NAPLES, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 78512 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: SCHERTZ, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 78513 | D | MMBtu | \$.0000 | 11/01/2011 | N |
| DESCRIPTION: HAWKINS, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 78665 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: OVERTON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 78742 | D | MMBtu | \$.0000 | 02/01/2014 | N |
| DESCRIPTION: FLORESVILLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 78743 | D | MMBtu | \$.0000 | 02/01/2013 | N |
| DESCRIPTION: KYLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 78921 | D | MMBtu | \$.0000 | 01/01/2012 | N |
| DESCRIPTION: PITTSBURG, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 80459 | D | MMBtu | \$.0000 | 07/01/2012 | N |
| DESCRIPTION: JEFFERSON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 80630 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: PORTLAND, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22196

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 80631 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: ROSE HILL ACRES, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 80632 | D | MMBtu | \$.0000 | 09/01/2012 | N |
| DESCRIPTION: LIBERTY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 85256 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: JEFFERSON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 86374 | D | MMBtu | \$.0000 | 08/01/2013 | N |
| DESCRIPTION: BRIDGE CITY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 86488 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: SARATOGA, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 86489 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: TALCO, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 86535 | D | MMBtu | \$.0000 | 11/01/2013 | N |
| DESCRIPTION: EVADALE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.
 Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.
 I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22197

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 09/23/2014

INITIAL SERVICE DATE: 05/01/2009 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 8/1/14: Add Delivery Point Morgan's Point Inc and Pasadena Env to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22197 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-76 B | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>11. FACILITIES</p> <p>11.1 For any Exhibit A effective prior to June 1, 2012:</p> <p>11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry.</p> <p>11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2 For any Exhibit A effective on or after June 1, 2012:</p> <p>11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point.</p> <p>11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point.</p> <p>11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule.</p> <p>11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A:</p> <p>11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or</p> <p>11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month</p> <p>11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer.</p> <p>11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service.</p> <p>12. BALANCING</p> <p>12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply.</p> <p>12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical.</p> <p>12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances.</p> <p>12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply.</p> <p>12.5 Daily Imbalances During Critical Period Events</p> <p>12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers.</p> <p>12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22197

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|---------|--|--------------------------|------------------------------|------------------|-----------------------------|-----------------------|----------------|-------------------------|--|-------------------------|------|---------------------|-----|----------------------|-----|----------------------|-----------------------|-----|------|
| | <p>of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%;"></td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment,</p> | | Overage | | Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of the | Company the Following | Cash-Out Price | Percentage of the Cash- | | Out Price From 0% to 5% | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 70% | 130% From 15% to 20% | 140% Greater than 20% | 50% | 150% |
| | Overage | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22197

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22197 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p>Terms & Conditions</p> |
| PSIF-9 | <p>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.</p> |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22197

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Shipper's Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____ Evergreen: Yes or No _____</p> <p>Period of Evergreen: 1 Year, 2 Years, etc. _____</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ End-User Facility Information End-User Business Name: _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22197

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | |
|----------------------|---|--------------|
| | Other Notices _____ Marketing Representative: _____ | All |
| | Office Fax: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Business Mailing Address: _____ | |
| | Operational Notices Employee Name: _____ NOTICES TO END-USER | Office |
| | Fax: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Office Fax: _____ | |
| | All Other Notices Employee Name: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Business Mailing Address: _____ | |
| | INDEX FOR SHIPPER CASH-OUT | |
| | CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ | Applicable |
| | Daily Index: _____ | |
| | ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ | |
| | End-User: _____ Date of Execution by End-User: _____ | Signature of |

Tnspt Terms T-76 A

CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76

1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76

2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22197

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22197 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22197 |
|------------------------|-----------------------------|

| |
|------------------------------------|
| RATE ADJUSTMENT PROVISIONS: |
|------------------------------------|

| |
|------|
| None |
|------|

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22197

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 150 | D | MMBtu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 194 | D | MMBtu | \$.0000 | 08/01/2009 | N |
| DESCRIPTION: LA PORTE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 202 | D | MMBtu | \$.0185 | 06/01/2013 | N |
| DESCRIPTION: LEAGUE CITY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 288 | D | MMBtu | \$.0000 | 08/01/2011 | N |
| DESCRIPTION: RICHMOND, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 352 | D | MMBtu | \$.0000 | 08/01/2011 | N |
| DESCRIPTION: TEXAS CITY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 10 | D | MMBtu | \$.0000 | 05/01/2013 | N |
| DESCRIPTION: ANGLETON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 149 | D | MMBtu | \$.0000 | 05/01/2009 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55670 | D | MMBtu | \$.0000 | 11/01/2010 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55672 | D | MMBtu | \$.0000 | 06/01/2011 | N |
| DESCRIPTION: DICKINSON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55673 | D | MMBtu | \$.0000 | 05/01/2010 | N |
| DESCRIPTION: BAYTOWN, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22197

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 55678 | D | MMBtu | \$.0000 | 07/01/2009 | N |
| DESCRIPTION: LA PORTE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55679 | D | MMBTU | \$.0000 | 08/01/2014 | N |
| DESCRIPTION: PASADENA, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 55680 | D | MMBTU | \$.0000 | 07/01/2012 | N |
| DESCRIPTION: SANTA FE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58921 | D | MMBtu | \$.0000 | 07/01/2013 | N |
| DESCRIPTION: ALVIN, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58924 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: CONROE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58925 | D | MMBtu | \$.0000 | 04/01/2005 | N |
| DESCRIPTION: CROSBY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58926 | D | MMBtu | \$.0000 | 12/01/2009 | N |
| DESCRIPTION: DEER PARK, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58928 | D | MMBtu | \$.0000 | 07/01/2009 | N |
| DESCRIPTION: HUMBLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58929 | D | MMBtu | \$.0000 | 11/01/2009 | N |
| DESCRIPTION: MONTGOMERY COUNTY, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58930 | D | MMBtu | \$.0000 | 07/01/2009 | N |
| DESCRIPTION: PASADENA, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22197

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 58932 | D | MMBtu | \$.0000 | 08/01/2011 | N |
| DESCRIPTION: SHENANDOAH, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58933 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: STAFFORD, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58935 | D | MMBtu | \$.0000 | 03/01/2011 | N |
| DESCRIPTION: WEBSTER, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 58936 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: WOODLANDS, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 62665 | D | MMBtu | \$.0000 | 07/01/2010 | N |
| DESCRIPTION: BAYTOWN, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 62667 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: WHARTON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 67772 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: LAKE JACKSON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68172 | D | MMBtu | \$.0000 | 11/01/2012 | N |
| DESCRIPTION: NASSAU BAY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68835 | D | MMBtu | \$.0000 | 11/01/2010 | N |
| DESCRIPTION: FREEPORT, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68836 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: BROOKSHIRE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22197

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 68837 | D | MMBtu | \$.0000 | 11/01/2010 | N |
| DESCRIPTION: ANGLETON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 68838 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: BARRETT'S SETTLEMENT, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 71800 | D | MMBtu | \$.0000 | 09/01/2009 | N |
| DESCRIPTION: HEDWIG VILLAGE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73134 | D | MMBtu | \$.0000 | 03/01/2011 | N |
| DESCRIPTION: SOUTH HOUSTON, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73136 | D | MMBtu | \$.0000 | 08/01/2010 | N |
| DESCRIPTION: SANTA FE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73137 | D | MMBtu | \$.0000 | 08/01/2011 | N |
| DESCRIPTION: SUGAR LAND, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73139 | D | MMBtu | \$.0000 | 11/01/2009 | N |
| DESCRIPTION: EAGLE LAKE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73140 | D | MMBtu | \$.0000 | 11/01/2010 | N |
| DESCRIPTION: KATY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73142 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: GALENA PARK, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 73144 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: BELLAIRE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22197

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 73145 | D | MMBTu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: CROSBY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77072 | D | MMBTu | \$.0000 | 12/01/2012 | N |
| DESCRIPTION: SPRING VALLEY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77073 | D | MMBTu | \$.0000 | 07/01/2010 | N |
| DESCRIPTION: PEARLAND, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77074 | D | MMBTu | \$.0000 | 07/01/2010 | N |
| DESCRIPTION: NEW WAVERLY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77075 | D | MMBTu | \$.0000 | 07/01/2013 | N |
| DESCRIPTION: ROSENBERG, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77967 | D | MMBTu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: MISSOURI CITY, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77972 | D | MMBTu | \$.0000 | 09/01/2012 | N |
| DESCRIPTION: FREEPORT, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77973 | D | MMBTu | \$.0000 | 02/01/2011 | N |
| DESCRIPTION: CLUTE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77974 | D | MMBTu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: DICKINSON, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77975 | D | MMBTu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: FRIENDSWOOD, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22197

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 77977 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: KATY, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77981 | D | MMBtu | \$.0000 | 06/01/2011 | N |
| DESCRIPTION: SEABROOK, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 77983 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: JERSEY VILLAGE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 78248 | D | MMBtu | \$.0000 | 09/01/2011 | N |
| DESCRIPTION: PORTER, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 78744 | D | MMBtu | \$.0000 | 01/01/2012 | N |
| DESCRIPTION: FRIENDSWOOD, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 78920 | D | MMBtu | \$.0000 | 01/01/2012 | N |
| DESCRIPTION: MONT BELVIEU, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 79037 | D | MMBtu | \$.0000 | 02/01/2012 | N |
| DESCRIPTION: NEW CANEY, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 80624 | D | MMBtu | \$.0000 | 12/01/2012 | N |
| DESCRIPTION: PECAN GROVE, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 80625 | D | MMBtu | \$.0000 | 09/01/2012 | N |
| DESCRIPTION: KEMAH, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 80626 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: PEARLAND, ENVIRONS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22197

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 80627 | D | MMBtu | \$.0000 | 07/01/2012 | N |
| DESCRIPTION: SPRING, ENVIROINS | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 80629 | D | MMBtu | \$.0000 | 09/01/2012 | N |
| DESCRIPTION: WILLIS, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 85546 | D | MMBtu | \$.0000 | 12/01/2012 | N |
| DESCRIPTION: EL LAGO, INC | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 85938 | D | MMBtu | \$.0000 | 03/01/2013 | N |
| DESCRIPTION: BUNKER HILL VILLAGE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 88009 | D | MMBtu | \$.0000 | 08/01/2014 | N |
| DESCRIPTION: MORGAN'S POINT, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22567

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 12/01/2009 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22567

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User</p> <p>_____ End-User Dunn's Number: _____ End-User Physical</p> <p>Service (Business) Address: _____ End-User Facility Contact</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day)</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____ Office</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____</p> <p>_____ Applicable</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____</p> <p>_____ Signature of</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22567 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| T-69 Rider 1 | <p>AVAILABILITY AND APPLICATION This Rider is available in the areas identified in Company's Texas Rate Book to any new or existing Shipper of CenterPoint Energy Entex ("Company") who executes or amends a Transportation Service Agreement on or before November 1, 2009, for service under Rate Schedule No. T-69. This rider only applies to transportation service to an End-use customer at a single Delivery Point where the End-use customer will receive, in Company's best estimate, 7,000 MMBtu or more of natural gas daily. This Rider will expire and shall not be available or applicable to any transportation service provided by Company on and after August 31, 2014. NET MONTHLY RATE Under this rider, the Net Monthly Rate per MMBtu for all gas transported in a month shall be the sum of: (i) \$0.05 per MMBtu; plus (ii) Payments To Governmental Authorities, as defined in Rate Schedule No. T-69, and Company's General Terms and Conditions for Transportation Service. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> |
| Tnspt Terms T-69 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 22567

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22567

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |
| Tnspt Terms T-69 B | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22567 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 For any multi-day period measured from the</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22567

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22567

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions |

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|-----------------------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 12/01/2009 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 34371 | CENTERPOINT ENERGY SERVICES | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.
 Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.
 I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22572

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 09/01/2009 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 29240 | LUMINANT ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22572

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | 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. |
| T-75 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00; plus (ii) First 750 MMBtu @ \$0.97 per MMBtu; Over 750 MMBtu @ \$0.57 per MMBtu; plus (iii) Capacity Charge @ \$0.045 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's</p> <p>Number: _____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p style="text-align: right;">Note: Bills are rendered via E-mail and are due and payable</p> <p>when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22572

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____</p> <p>_____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____</p> <p>_____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22572 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22572

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22572 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22572 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|--------------------------|---|----------------------------|--|----------------------------|----------------|------|------|----------------|-----|-----|------|-----------------|-----|------|------------------|-----|------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th>Underage Imbalance Level</th> <th>The Company Pays Shipper the Following Percentage of the Cash-</th> <th>Shipper Pays the Following</th> <th>Cash-Out Price</th> </tr> </thead> <tbody> <tr> <td>100%</td> <td>100%</td> <td>From 5% to 10%</td> <td>80%</td> </tr> <tr> <td>70%</td> <td>130%</td> <td>From 15% to 20%</td> <td>60%</td> </tr> <tr> <td>140%</td> <td>Greater than 20%</td> <td>50%</td> <td>150%</td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | Underage Imbalance Level | The Company Pays Shipper the Following Percentage of the Cash- | Shipper Pays the Following | Cash-Out Price | 100% | 100% | From 5% to 10% | 80% | 70% | 130% | From 15% to 20% | 60% | 140% | Greater than 20% | 50% | 150% |
| Underage Imbalance Level | The Company Pays Shipper the Following Percentage of the Cash- | Shipper Pays the Following | Cash-Out Price | | | | | | | | | | | | | | |
| 100% | 100% | From 5% to 10% | 80% | | | | | | | | | | | | | | |
| 70% | 130% | From 15% to 20% | 60% | | | | | | | | | | | | | | |
| 140% | Greater than 20% | 50% | 150% | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22572 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22572

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22572

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 23 | D | MMBtu | \$.0000 | 09/01/2009 | N |
| DESCRIPTION: BEAUMONT, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 183 | D | MMBtu | \$.0032 | 01/01/2010 | N |
| DESCRIPTION: KINGSVILLE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 234 | D | MMBtu | \$.0000 | 11/01/2011 | N |
| DESCRIPTION: NACOGDOCHES, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 43015 | D | MMBtu | \$.0000 | 05/01/2010 | N |
| DESCRIPTION: ORANGE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 43033 | D | MMBtu | \$.0000 | 11/01/2009 | N |
| DESCRIPTION: VICTORIA, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 55674 | D | MMBtu | \$.0000 | 03/01/2012 | N |
| DESCRIPTION: EL CAMPO, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 73133 | D | MMBtu | \$.0000 | 12/01/2009 | N |
| DESCRIPTION: ALICE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 77069 | D | MMBtu | \$.0000 | 01/01/2010 | N |
| DESCRIPTION: BEEVILLE, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 77077 | D | MMBtu | \$.0000 | 05/01/2010 | N |
| DESCRIPTION: LUMBERTON, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |
| 77965 | D | MMBtu | \$.0000 | 03/01/2011 | N |
| DESCRIPTION: PORT LAVACA, INC. | | | | | |
| Customer 29240 LUMINANT ENERGY | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22572

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> | | | | | | |
|--|-------------|-----------------|-----------------------|-----------------------|---------------------|-----------------|-------|-----------------|--|--|--|
| 77982 | D | MMBtu | \$.0000 | 12/01/2011 | N | | | | | | |
| DESCRIPTION: LUMBERTON, ENVIRONS | | | | | | | | | | | |
| <table border="1" style="width:100%"> <tr> <td style="width:15%">Customer</td> <td style="width:15%">29240</td> <td colspan="4">LUMINANT ENERGY</td> </tr> </table> | | | | | | Customer | 29240 | LUMINANT ENERGY | | | |
| Customer | 29240 | LUMINANT ENERGY | | | | | | | | | |
| 80628 | D | MMBtu | \$.0000 | 08/01/2012 | N | | | | | | |
| DESCRIPTION: PALACIOS, ENVIRONS | | | | | | | | | | | |
| <table border="1" style="width:100%"> <tr> <td style="width:15%">Customer</td> <td style="width:15%">29240</td> <td colspan="4">LUMINANT ENERGY</td> </tr> </table> | | | | | | Customer | 29240 | LUMINANT ENERGY | | | |
| Customer | 29240 | LUMINANT ENERGY | | | | | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22573

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 10/01/2009 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24864 | TGLO | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22573

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| PSIF-9 | 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. |
| T-72 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 29, 2008 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">_____ Shipper's Email Billing Address: _____</p> <p style="text-align: center;">_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">_____ GENERAL INFORMATION Term of Service</p> <p style="text-align: center;">Begin Date: _____ End Date: _____</p> <p style="text-align: center;">_____ Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22573

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22573

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-72 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-72</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day but less than 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtu which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22573 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>records to demonstrate such costs and to substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22573

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>days in the Service Month. Once a nomination is made and confirmed by Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012 Terms & Conditions</p> |
| <p>Tnspt Terms T-72 B</p> | <p>Continuation from Tnspt Terms T-72 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22573 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22573

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|---|--|---|---|------------------------------------|--|------|---------------------|-----|----------------------|------|-----|----------------------|-----|------------------|-----|------|---|
| | <p>obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 619 487 703">Imbalance Level Percentage of the Cash-</th> <th data-bbox="487 619 893 703">The Company Pays Shipper the Company the Following</th> <th data-bbox="893 619 1218 703">Shipper Pays the Cash-Out Price</th> <th data-bbox="1218 619 1502 703">Following Underage Percentage of the</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 703 487 745">100%</td> <td data-bbox="487 703 893 745">100% From 5% to 10%</td> <td data-bbox="893 703 1218 745">80%</td> <td data-bbox="1218 703 1502 745">120% From 10% to 15%</td> </tr> <tr> <td data-bbox="284 745 487 787">140%</td> <td data-bbox="487 745 893 787">70%</td> <td data-bbox="893 745 1218 787">130% From 15% to 20%</td> <td data-bbox="1218 745 1502 787">60%</td> </tr> <tr> <td data-bbox="284 787 487 829">Greater than 20%</td> <td data-bbox="487 787 893 829">50%</td> <td data-bbox="893 787 1218 829">150%</td> <td data-bbox="1218 787 1502 829">12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall </td> </tr> </tbody> </table> | Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Following Underage Percentage of the | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 140% | 70% | 130% From 15% to 20% | 60% | Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall |
| Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Following Underage Percentage of the | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | | | | | | | | | | | | | | |
| 140% | 70% | 130% From 15% to 20% | 60% | | | | | | | | | | | | | | |
| Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22573

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22573

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 288 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: RICHMOND, ENVIRONS | | | | | |
| Customer | 24864 | TGLO | | | |
| 58935 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: WEBSTER, INC. | | | | | |
| Customer | 24864 | TGLO | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22574

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 10/01/2009 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24864 | TGLO | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22574

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| PSIF-9 | <p>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.</p> |
| T-75 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00; plus (ii) First 750 MMBtu @ \$0.97 per MMBtu; Over 750 MMBtu @ \$0.57 per MMBtu; plus (iii) Capacity Charge @ \$0.045 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> |

EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT

Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's

Number: _____ Shipper's Physical Business Address: _____
 _____ Shipper's Email Billing Address: _____

_____ Note: Bills are rendered via E-mail and are due and payable
 when E-mail is sent by Company. _____ Shipper's Business Email Address: _____

Begin Date: _____ GENERAL INFORMATION Term of Service
 _____ End Date: _____

Evergreen: Yes or No

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22574

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22574 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-75 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-75</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22574 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22574

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22574

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22574 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|---|---------------------------------|--|---------------------------------|------|------|----|-----|-----------|----|-----|------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----|-----|-----|----|-----|-----|----|-----|-----|----|-----|-----|----|-----|-----|----|-----|-----|----|-----|-----|----|-----|-----|----|-----|-----|----|-----|-----|----|-----|-----|----|-----|-----|----|------|-----|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th>Underage Imbalance Level</th> <th>The Company Pays Shipper the Following Percentage of the Cash-</th> <th>Shipper Pays the Cash-Out Price</th> </tr> </thead> <tbody> <tr> <td>100%</td> <td>100%</td> <td>0%</td> </tr> <tr> <td>70%</td> <td>5% to 10%</td> <td>5%</td> </tr> <tr> <td>50%</td> <td>15% to 20%</td> <td>10%</td> </tr> <tr> <td>30%</td> <td>25%</td> <td>15%</td> </tr> <tr> <td>15%</td> <td>30%</td> <td>20%</td> </tr> <tr> <td>10%</td> <td>35%</td> <td>25%</td> </tr> <tr> <td>5%</td> <td>40%</td> <td>30%</td> </tr> <tr> <td>0%</td> <td>45%</td> <td>35%</td> </tr> <tr> <td>0%</td> <td>50%</td> <td>40%</td> </tr> <tr> <td>0%</td> <td>55%</td> <td>45%</td> </tr> <tr> <td>0%</td> <td>60%</td> <td>50%</td> </tr> <tr> <td>0%</td> <td>65%</td> <td>55%</td> </tr> <tr> <td>0%</td> <td>70%</td> <td>60%</td> </tr> <tr> <td>0%</td> <td>75%</td> <td>65%</td> </tr> <tr> <td>0%</td> <td>80%</td> <td>70%</td> </tr> <tr> <td>0%</td> <td>85%</td> <td>75%</td> </tr> <tr> <td>0%</td> <td>90%</td> <td>80%</td> </tr> <tr> <td>0%</td> <td>95%</td> <td>85%</td> </tr> <tr> <td>0%</td> <td>100%</td> <td>90%</td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | Underage Imbalance Level | The Company Pays Shipper the Following Percentage of the Cash- | Shipper Pays the Cash-Out Price | 100% | 100% | 0% | 70% | 5% to 10% | 5% | 50% | 15% to 20% | 10% | 30% | 25% | 15% | 15% | 30% | 20% | 10% | 35% | 25% | 5% | 40% | 30% | 0% | 45% | 35% | 0% | 50% | 40% | 0% | 55% | 45% | 0% | 60% | 50% | 0% | 65% | 55% | 0% | 70% | 60% | 0% | 75% | 65% | 0% | 80% | 70% | 0% | 85% | 75% | 0% | 90% | 80% | 0% | 95% | 85% | 0% | 100% | 90% |
| Underage Imbalance Level | The Company Pays Shipper the Following Percentage of the Cash- | Shipper Pays the Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 70% | 5% to 10% | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50% | 15% to 20% | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30% | 25% | 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15% | 30% | 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10% | 35% | 25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5% | 40% | 30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 45% | 35% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 50% | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 55% | 45% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 60% | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 65% | 55% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 70% | 60% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 75% | 65% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 80% | 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 85% | 75% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 90% | 80% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 95% | 85% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0% | 100% | 90% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22574

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 22574**

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 85721 | D | MMBtu | \$.0000 | 02/01/2013 | N |
| DESCRIPTION: BUNA, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |
| 216 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: LUFKIN, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |
| 252 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: ORANGE, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |
| 302 | I | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: RUSK, INC. | | | | | |
| Customer 24864 TGLO | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22575

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 10/02/2014

INITIAL SERVICE DATE: 10/01/2009 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 9/1/14: Add Delivery Point - Texas City Inc to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24864 | TGLO | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22575 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| Tnspt Terms T-76 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22575 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22575

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p>Terms & Conditions</p> |
| <p>Tnspt Terms T-76 B</p> | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 22575 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper will be responsible for its allocable share of any incremental costs associated with Company's upstream transportation, storage, or no-notice services attributable to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 22575**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|---------|--|--------------------------|------------------------------|------------------|-----------------------------|-----------------------|----------------|-------------------------|--|-------------------------|------|---------------------|-----|----------------------|-----|----------------------|-----------------------|-----|------|
| | <p>nomination and scheduling activities of Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%;"></td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination</p> | | Overage | | Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of the | Company the Following | Cash-Out Price | Percentage of the Cash- | | Out Price From 0% to 5% | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 70% | 130% From 15% to 20% | 140% Greater than 20% | 50% | 150% |
| | Overage | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 22575

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |
| PSIF-9 | <p>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.</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22575

CURRENT RATE COMPONENT

RATE COMP. ID DESCRIPTION

T-76 AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.

EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT SHIPPER INFORMATION Name of Shipper: Shipper's Dunn's Number: Shipper's Physical Business Address: Shipper's Email Billing Address: Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. Shipper's Business Email Address: GENERAL INFORMATION Term of Service Begin Date: End Date: Evergreen: Yes or No Period of Evergreen: 1 Year, 2 Years, etc.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22575

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____</p> <p>End-User Facility Information End-User Business Name: _____</p> <p>End-User Dunn's Number: _____</p> <p>End-User Physical Service (Business) Address: _____</p> <p>End-User Facility Contact for Operating Information and Emergency Notices Name: _____</p> <p>Office Telephone: _____</p> <p>Office Fax: _____</p> <p>E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____</p> <p>Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____</p> <p>Office Telephone: _____</p> <p>Office Fax: _____</p> <p>E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____</p> <p>Office Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>Business Mailing Address: _____</p> <p>NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____</p> <p>Office Telephone: _____</p> <p>Office Fax: _____</p> <p>Business E-Mail Address: _____</p> <p>Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____</p> <p>Applicable Index Adder or WACOG: _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____</p> <p>Date of Execution by Shipper: _____</p> <p>Signature of End-User: _____</p> <p>Date of Execution by End-User: _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22575

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 22575

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 01/01/2012 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 202 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: LEAGUE CITY, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 150 | D | MMBtu | \$.0000 | 04/01/2011 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |
| 352 | D | MMBtu | \$.0000 | 09/01/2014 | N |
| DESCRIPTION: TEXAS CITY, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 55673 | D | MMBtu | \$.0000 | 05/01/2013 | N |
| DESCRIPTION: BAYTOWN, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |
| 58928 | D | MMBtu | \$.0000 | 07/01/2014 | N |
| DESCRIPTION: HUMBLE, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 58933 | D | MMBtu | \$.0000 | 11/01/2013 | N |
| DESCRIPTION: STAFFORD, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 58936 | D | MMBtu | \$.0000 | 01/01/2012 | N |
| DESCRIPTION: WOODLANDS, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |
| 66265 | D | MMBtu | \$.0000 | 05/01/2013 | N |
| DESCRIPTION: BAYTOWN, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 67772 | D | MMBtu | \$.0000 | 10/01/2009 | N |
| DESCRIPTION: LAKE JACKSON, INC. | | | | | |
| Customer 24864 TGLO | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 22575**

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 73135 | D | MMBtu | \$.0000 | 05/01/2013 | N |
| DESCRIPTION: HIGHLANDS, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |
| 73140 | | MMBtu | \$.0000 | 08/01/2013 | N |
| DESCRIPTION: KATY, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 77075 | D | MMBTu | \$.0000 | 05/01/2014 | N |
| DESCRIPTION: ROSENBERG, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 77977 | D | MMBtu | \$.0000 | 08/01/2013 | N |
| DESCRIPTION: KATY, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |
| 77983 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: JERSEY VILLAGE, INC. | | | | | |
| Customer 24864 TGLO | | | | | |
| 80624 | D | MMBtu | \$.0000 | 05/01/2014 | N |
| DESCRIPTION: PECAN GROVE, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |
| 87308 | D | MMBtu | \$.0000 | 05/01/2014 | N |
| DESCRIPTION: ROSENBERG, ENVIRONS | | | | | |
| Customer 24864 TGLO | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23274

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: 10/01/2010 **RECEIVED DATE:** 10/02/2014

INITIAL SERVICE DATE: **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 9/1/14: Add Delivery Point - Conroe Inc to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 31483 | COKINOS | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23274 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| Tnspt Terms T-76 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23274

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23274

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012 Terms & Conditions</p> |
| <p>Tnspt Terms T-76 B</p> | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23274

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper will be responsible for its allocable share of any incremental costs associated with Company's upstream transportation, storage, or no-notice services attributable to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 23274**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|---------|--|--------------------------|------------------------------|------------------|-----------------------------|-----------------------|----------------|-------------------------|--|-------------------------|------|---------------------|-----|----------------------|-----|----------------------|-----------------------|-----|------|
| | <p>nomination and scheduling activities of Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%;"></td> </tr> <tr> <td>Underage Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> </tr> <tr> <td>Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td>Percentage of the Cash-</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination</p> | | Overage | | Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of the | Company the Following | Cash-Out Price | Percentage of the Cash- | | Out Price From 0% to 5% | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 70% | 130% From 15% to 20% | 140% Greater than 20% | 50% | 150% |
| | Overage | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23274 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p>Terms & Conditions</p> |
| PSIF-9 | <p>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.</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23274

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> |

EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT
Page 1 of 2 SHIPPER INFORMATION Name of Shipper:

Number: _____ Shipper's Dunn's
 _____ Shipper's Physical Business Address:
 _____ Shipper's Email Billing Address: _____
 Note: Bills are rendered via E-mail and are due and payable
 when E-mail is sent by Company. _____ Shipper's Business Email Address:
 _____ GENERAL INFORMATION Term of Service
 Begin Date: _____ End Date: _____
 _____ Evergreen: Yes or No
 Period of Evergreen: 1 Year, 2 Years, etc. _____

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23274

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____</p> <p>End-User Facility Information End-User Business Name: _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____</p> <p>Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of End-User: _____ Date of Execution by End-User: _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23274

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23274

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 194 | D | MMBtu | \$.0000 | 08/01/2014 | N |
| DESCRIPTION: LA PORTE, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 55670 | D | MMBtu | \$.0000 | 06/01/2011 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 55673 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: BAYTOWN, ENVIRONS | | | | | |
| Customer 31483 COKINOS | | | | | |
| 58924 | D | MMBtu | \$.0000 | 09/01/2014 | N |
| DESCRIPTION: CONROE, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 58928 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: HUMBLE, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 58930 | D | MMBtu | \$.0000 | 07/01/2013 | N |
| DESCRIPTION: PASADENA, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 58936 | D | MMBtu | \$.0000 | 06/01/2011 | N |
| DESCRIPTION: WOODLANDS, ENVIRONS | | | | | |
| Customer 31483 COKINOS | | | | | |
| 66265 | D | MMBtu | \$.0000 | 05/01/2013 | N |
| DESCRIPTION: BAYTOWN, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 68172 | D | MMBtu | \$.0000 | 03/01/2011 | N |
| DESCRIPTION: NASSAU BAY, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 73134 | D | MMBtu | \$.0000 | 02/01/2011 | N |
| DESCRIPTION: SOUTH HOUSTON, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23274

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 77073 | D | MMBTu | \$.0000 | 07/01/2010 | N |
| DESCRIPTION: PEARLAND, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 77075 | D | MMBTu | \$.0000 | 12/01/2013 | N |
| DESCRIPTION: ROSENBERG, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 78920 | D | MMBTu | \$.0000 | 08/01/2010 | N |
| DESCRIPTION: MONT BELVIEU, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 80626 | D | MMBTu | \$.0000 | 08/01/2013 | N |
| DESCRIPTION: PEARLAND, ENVIRONS | | | | | |
| Customer 31483 COKINOS | | | | | |
| 85417 | D | MMBTu | \$.0000 | 11/01/2012 | N |
| DESCRIPTION: PINEY POINT VILLAGE, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 86375 | D | MMBTu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: MONT BELVIEU, ENVIRONS | | | | | |
| Customer 31483 COKINOS | | | | | |
| 149 | D | MMBTu | \$.0000 | 08/01/2010 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 150 | D | MMBTu | \$.0000 | 02/01/2011 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 31483 COKINOS | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23274

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23277

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: 10/01/2010 **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23277

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-65 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Shipper's Physical Business Address: _____</p> <p>Shipper's Email Billing Address: _____</p> <p>Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p>Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23277

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical</p> <p>Service (Business) Address: _____ End-User Facility Contact</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day)</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23277

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|--------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| T-65-Rider 3-3 | <p>AVAILABILITY AND APPLICATION This Rider is available in the areas identified in Company's Texas Rate Book to any new or existing Shipper of CenterPoint Energy Entex ("Company") who executes or amends a Transportation Service Agreement on or before November 30, 2010, for service under Rate Schedule No. T-65. This rider only applies to transportation service to an End-use customer at a single Delivery Point where the End-use customer will receive, in Company's best estimate, 200,000 MMBtu's or more of natural gas annually. Until cancelled, this Rider will renew annually on October 31 of each year after 2010. NET MONTHLY RATE Under this rider, the Net Monthly Rate per MMBtu for all gas transported in a month shall be the sum of: (i) \$0.06 per MMBtu; plus (ii) Payments To Governmental Authorities, as defined in Rate Schedule No. T-65 and Company's General Terms and Conditions for Transportation Service. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> |
| Tnspt Terms T-65 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 23277

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23277

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-65 B | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | | | |
|-------------------------------|---|---|--|
| RRC COID: 6263 | | COMPANY NAME: CENTERPOINT ENERGY ENTEX | |
| TARIFF CODE: DT | | RRC TARIFF NO: 23277 | |
| CURRENT RATE COMPONENT | | | |
| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | |
| | <p>and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries for the</p> | | |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23277

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|--|-----------------|------------------------------|------------------|---------|----------|-------------------|-----------------------|----------------|----------------|-----------|----------------------------------|---------------|------|------|----------------|-----|-----|------|-----------------|-----|------|-----------------|-----|------|------------------|-----|------|--|--|--|
| | <p>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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Imbalance Level</th> <th style="text-align: left;">The Company Pays Shipper the</th> <th style="text-align: left;">Shipper Pays</th> <th style="text-align: left;">Overage</th> <th style="text-align: left;">Underage</th> </tr> <tr> <th style="text-align: left;">Percentage of the</th> <th style="text-align: left;">Company the Following</th> <th style="text-align: left;">Cash-Out Price</th> <th style="text-align: left;">Cash-Out Price</th> <th style="text-align: left;">Following</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Percentage of the Cash-Out Price</td> <td style="text-align: left;">From 0% to 5%</td> <td style="text-align: left;">100%</td> <td style="text-align: left;">100%</td> <td style="text-align: left;">From 5% to 10%</td> </tr> <tr> <td style="text-align: left;">10%</td> <td style="text-align: left;">80%</td> <td style="text-align: left;">120%</td> <td style="text-align: left;">From 10% to 15%</td> <td style="text-align: left;">70%</td> </tr> <tr> <td style="text-align: left;">130%</td> <td style="text-align: left;">From 15% to 20%</td> <td style="text-align: left;">60%</td> <td style="text-align: left;">140%</td> <td style="text-align: left;">Greater than 20%</td> </tr> <tr> <td style="text-align: left;">50%</td> <td style="text-align: left;">150%</td> <td colspan="3"></td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-</p> | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Overage | Underage | Percentage of the | Company the Following | Cash-Out Price | Cash-Out Price | Following | Percentage of the Cash-Out Price | From 0% to 5% | 100% | 100% | From 5% to 10% | 10% | 80% | 120% | From 10% to 15% | 70% | 130% | From 15% to 20% | 60% | 140% | Greater than 20% | 50% | 150% | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | Company the Following | Cash-Out Price | Cash-Out Price | Following | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | From 0% to 5% | 100% | 100% | From 5% to 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10% | 80% | 120% | From 10% to 15% | 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 130% | From 15% to 20% | 60% | 140% | Greater than 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50% | 150% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23277 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair;</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23277

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012 Terms & Conditions |

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> | | | |
|--|-------------|-----------------------------|-----------------------|-----------------------|---------------------|-----------------|-------|-----------------------------|
| 42978 | D | MMBtu | \$.0000 | 06/01/2004 | N | | | |
| DESCRIPTION: CHEEK, ENVIRONS | | | | | | | | |
| <table border="1" style="width:100%"> <tr> <td style="width:15%">Customer</td> <td style="width:15%">34371</td> <td style="width:70%">CENTERPOINT ENERGY SERVICES</td> </tr> </table> | | | | | | Customer | 34371 | CENTERPOINT ENERGY SERVICES |
| Customer | 34371 | CENTERPOINT ENERGY SERVICES | | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23566

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: 12/01/2010 **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24864 | TGLO | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23566 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | 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. |
| T-85 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) a written Transportation Service Agreement and Exhibit A (hereinafter Agreement) have been executed between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point or Delivery Points, as defined in the contract contemplated hereby, on the campus of a state-owned entity that is eligible to purchase State Royalty Gas; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) a monthly service charge of \$500.00 per campus; plus (ii) a monthly meter charge of \$35.00 per meter for each meter that is not monitored with telemetering equipment; plus (iii) a rate per MMBtu per campus for all gas transported to the facilities of an End-user Customer at the campus during a billing period equal to the sum of: First 3,000 MMBtu @ \$0.50 per MMBtu Next 3,000 MMBtu @ \$0.25 per MMBtu Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p>Tnspt Terms T-85 A CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-85 1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-85 2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23566 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) the campus or campuses of a state-owned entity that is eligible to purchase state royalty gas where all facilities are situated in close geographic proximity and served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of the largest campus will be, based on Company's best estimate, a minimum of 50 Mcf per day; (d) where the actual consumption of any other campus will be, based on Company's best estimate, a minimum of 25 Mcf per day; and (e) the natural gas redelivered is for ultimate consumption at such campus or campuses and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23566 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23566

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Revised T-85 Terms & Conditions Replaces Original T-85 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-85 B</p> | <p>Continuation from Tnspt Terms T-85 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-85 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture on all meters at the campus facilities using, based on Company's best estimate, 2,500 Mcf or more on an annual basis to determine hourly and daily flow of gas at the Receipt Point, provided that if no campus meter uses at least 2,500 Mcf or more on an annual basis, Company shall install telemetry equipment of standard make and manufacture on the meter at the campus facilities flowing the largest amount of natural gas during the immediately preceding twelve month period. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture on all meters at the campus facilities using, based on Company's best estimate, 2,500 Mcf or more on an annual basis to determine hourly and daily flow of gas at the Receipt Point, provided that if no campus meter uses at least 2,500 Mcf or more on an annual basis, Company shall install telemetry equipment of standard make and manufacture on the meter at the campus facilities flowing the largest amount of natural gas during the immediately preceding twelve month period. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 23566

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper will be responsible for its allocable

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 23566**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|---|-------------------------|-------------------------|--|----------|-----------------|------------------------------|------------------|-------------------------|-----|-----------------------|----------------|-------------------------|--|--|-------------------------|------|------|----------------|-----|------|------|-----------------|-----|-----------------|--|--|--|-----|--|--|--|------|--|--|--|------------------|--|--|--|-----|
| | <p>share of any incremental costs associated with Company's upstream transportation, storage, or no-notice services attributable to nomination and scheduling activities of Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">Overage</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">Underage</td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> <td style="text-align: center;">Following Percentage of</td> </tr> <tr> <td style="text-align: center;">the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> <td style="text-align: center;">Percentage of the Cash-</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">From 5% to 10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">120%</td> </tr> <tr> <td style="text-align: center;">130%</td> <td style="text-align: center;">From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">From 10% to 15%</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">70%</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">140%</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">Greater than 20%</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: center;">50%</td> </tr> </table> <p>150% 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination</p> | | Overage | | Underage | Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of | the | Company the Following | Cash-Out Price | Percentage of the Cash- | | | Out Price From 0% to 5% | 100% | 100% | From 5% to 10% | 80% | 120% | 130% | From 15% to 20% | 60% | From 10% to 15% | | | | 70% | | | | 140% | | | | Greater than 20% | | | | 50% |
| | Overage | | Underage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| the | Company the Following | Cash-Out Price | Percentage of the Cash- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Out Price From 0% to 5% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | From 5% to 10% | 80% | 120% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 130% | From 15% to 20% | 60% | From 10% to 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 140% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Greater than 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23566

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Revised T-85 Terms & Conditions Replaces Original T-85 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23566

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> | | | | | | |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|-----------------|-------|------|--|--|--|
| 234 | D | MMBtu | \$.0000 | 12/01/2010 | N | | | | | | |
| DESCRIPTION: NACOGDOCHES, INC. | | | | | | | | | | | |
| <table border="1" style="width:100%"> <tr> <td style="width:15%">Customer</td> <td style="width:20%">24864</td> <td style="width:15%">TGLO</td> <td colspan="3"></td> </tr> </table> | | | | | | Customer | 24864 | TGLO | | | |
| Customer | 24864 | TGLO | | | | | | | | | |
| 359 | D | MMBtu | \$.0000 | 12/01/2010 | N | | | | | | |
| DESCRIPTION: TYLER, INC. | | | | | | | | | | | |
| <table border="1" style="width:100%"> <tr> <td style="width:15%">Customer</td> <td style="width:20%">24864</td> <td style="width:15%">TGLO</td> <td colspan="3"></td> </tr> </table> | | | | | | Customer | 24864 | TGLO | | | |
| Customer | 24864 | TGLO | | | | | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23711

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 12/01/2010 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24863 | ATMOS ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23711

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| PSIF-9 | <p>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.</p> |
| T-65 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">_____ Shipper's Email Billing Address: _____</p> <p style="text-align: center;">_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">_____ GENERAL INFORMATION Term of Service</p> <p style="text-align: center;">Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23711

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23711

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-65 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 23711

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23711 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> |
| Tnspt Terms T-65 B | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23711 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 23711**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|---|-----------------------|---------|----------|-----------------|------------------------------|--------------|-------------------|---------------------------|----------------|----------------------------------|---------------|------|-----|-----|------|----------------------|-----|-----|-----|------|-----------------------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%; text-align: center;">Underage</td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays</td> </tr> <tr> <td style="text-align: center;">Percentage of the</td> <td style="text-align: center;">the Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-Out Price</td> <td style="text-align: center;">From 0% to 5%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td style="text-align: center;">140% Greater than 20%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date</p> | | Overage | Underage | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Percentage of the | the Company the Following | Cash-Out Price | Percentage of the Cash-Out Price | From 0% to 5% | 100% | 10% | 80% | 100% | 130% From 15% to 20% | 60% | 70% | 50% | 150% | 140% Greater than 20% |
| | Overage | Underage | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | the Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | From 0% to 5% | 100% | | | | | | | | | | | | | | | | | | | | |
| 10% | 80% | 100% | | | | | | | | | | | | | | | | | | | | |
| 130% From 15% to 20% | 60% | 70% | | | | | | | | | | | | | | | | | | | | |
| 50% | 150% | 140% Greater than 20% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23711

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>(the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23711

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 48 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: CARTHAGE, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 234 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: NACOGDOCHES, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 42977 | D | MMBtu | \$.0000 | 04/01/2011 | N |
| DESCRIPTION: CENTER, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 43001 | D | MMBtu | \$.0000 | 11/01/2011 | N |
| DESCRIPTION: KENEDY, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 43028 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: TENAHA, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23712

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 05/01/2010 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23712

CURRENT RATE COMPONENT

RATE COMP. ID DESCRIPTION

PSIF-9 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.

T-65 AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.

EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT SHIPPER INFORMATION Name of Shipper: Shipper's Dunn's Number: Shipper's Physical Business Address: Shipper's Email Billing Address: Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. Shipper's Business Email Address: GENERAL INFORMATION Term of Service Begin Date: End Date: Evergreen: Yes or No

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23712

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23712 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| T-65 Rider 5 | <p>AVAILABILITY AND APPLICATION This Rider is available in the areas identified in Company's Texas Rate Book to any new or existing Shipper of CenterPoint Energy Entex ("Company") who executes or amends a Transportation Service Agreement on or before December 1, 2010, for service under Rate Schedule No. T-65. This rider only applies to transportation service to an End-use customer at a single Delivery Point where the End-use customer will receive, in Company's best estimate, 2,000,000 MMBtu's or more of natural gas annually. NET MONTHLY RATE Under this rider, the Net Monthly Rate per MMBtu for all gas transported in a month shall be the sum of: (i) \$0.10 per MMBtu; plus (ii) Payments To Governmental Authorities, as defined in Rate Schedule No. T-65 and Company's General Terms and Conditions for Transportation Service. EQUIVALENT QUANTITY OF NATURAL GAS Under this rider, the term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> |
| Tnspt Terms T-65 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23712 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation.</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23712

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-65 B | <p>Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012 Terms & Conditions</p> <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23712 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23712

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|--|-----------------------|-----------------|----------|--|-----------------|------------------------------|--------------|-----------|-------------------|---------------------------|----------------|----------------|----------------------------------|---------------|------|-----------------|-----|-----|----------------------|-----|----------------------|-----|-----------------------|-----|------|--|--|--|
| | <p>Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">Overage</td> <td style="width: 25%; text-align: center;">Underage</td> <td style="width: 25%;"></td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays</td> <td style="text-align: center;">Following</td> </tr> <tr> <td style="text-align: center;">Percentage of the</td> <td style="text-align: center;">the Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-Out Price</td> <td style="text-align: center;">From 0% to 5%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to</td> </tr> <tr> <td style="text-align: center;">10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> </tr> <tr> <td style="text-align: center;">150%</td> <td style="text-align: center;">12.7.2 In the event of an Underage, the Cash Out Price shall be the Cash-out Index</td> <td></td> <td></td> </tr> </table> <p>specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed</p> | | Overage | Underage | | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Following | Percentage of the | the Company the Following | Cash-Out Price | Cash-Out Price | Percentage of the Cash-Out Price | 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% | 12.7.2 In the event of an Underage, the Cash Out Price shall be the Cash-out Index | | |
| | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | Following | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | the Company the Following | Cash-Out Price | Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | 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% | 12.7.2 In the event of an Underage, the Cash Out Price shall be the Cash-out Index | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23712 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23712

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012 Terms & Conditions |

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---------------------------------|-------------|-----------------------------|-----------------------|-----------------------|---------------------|
| 359 | D | MMBtu | \$.0000 | 05/01/2010 | N |
| DESCRIPTION: TYLER, INC. | | | | | |
| Customer | 34371 | CENTERPOINT ENERGY SERVICES | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.
 Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.
 I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23713

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 04/01/2010 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 32587 | BP ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23713

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | 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. |
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: right;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>_____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23713

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23713

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-69 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23713

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23713

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |
| Tnspt Terms T-69 B | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 23713

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 23713**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|--|---|--|---|------------------------------------|--------------------------------------|------|---------------------|-----|------------------|-----|-----|----------------------|-----|------|------------------|-----|------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 588 511 682">Imbalance Level Percentage of the Cash-</th> <th data-bbox="511 588 885 682">The Company Pays Shipper the Company the Following</th> <th data-bbox="885 588 1258 682">Shipper Pays the Cash-Out Price</th> <th data-bbox="1258 588 1502 682">Overage Underage Percentage of</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 682 511 714">100%</td> <td data-bbox="511 682 885 714">100% From 5% to 10%</td> <td data-bbox="885 682 1258 714">80%</td> <td data-bbox="1258 682 1502 714">120% From 10% to</td> </tr> <tr> <td data-bbox="284 714 511 745">15%</td> <td data-bbox="511 714 885 745">70%</td> <td data-bbox="885 714 1258 745">130% From 15% to 20%</td> <td data-bbox="1258 714 1502 745">60%</td> </tr> <tr> <td data-bbox="284 745 511 777">140%</td> <td data-bbox="511 745 885 777">Greater than 20%</td> <td data-bbox="885 745 1258 777">50%</td> <td data-bbox="1258 745 1502 777">150%</td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Overage Underage Percentage of | 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% |
| Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Overage Underage Percentage of | | | | | | | | | | | | | | |
| 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% | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23713 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23713

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 04/01/2010 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 32587 | BP ENERGY | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23714

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 12/01/2010 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24863 | ATMOS ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 23714**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | <p>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.</p> |
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: right;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: right;">Page 1 of 2</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>_____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23714

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | Period of Evergreen: 1 Year, 2 Years, etc. Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23714

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-69 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 23714

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23714

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-69 B</p> | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23714 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23714 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23714

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 48 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: CARTHAGE, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 149 | D | MMBtu | \$.0000 | 01/01/2010 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 150 | D | MMBtu | \$.0000 | 09/01/2013 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 55670 | D | MMBtu | \$.0000 | 11/01/2011 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 73137 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: SUGAR LAND, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23716

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 03/01/2010 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 32588 | MARABOU | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23716

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | Period of Evergreen: 1 Year, 2 Years, etc. Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23716 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23716

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23716

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 23716**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|-------------------------|------------------------------|------------------|--------------------------|-----------------------|----------------|-----------------------------|-------------------------|-------------------------|-------------------------|------|---------------|------|---------------------|-----|--------|-----|----------------------|-----------------------|-----|------|--|--|-----|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">The Company Pays Shipper the</td> <td style="width: 33%; text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">120% From 10%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">60%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | | The Company Pays Shipper the | Shipper Pays the | Underage Imbalance Level | Company the Following | Cash-Out Price | Following Percentage of the | Percentage of the Cash- | Out Price From 0% to 5% | Percentage of the Cash- | 100% | 120% From 10% | 100% | 100% From 5% to 10% | 80% | to 15% | 70% | 130% From 15% to 20% | 140% Greater than 20% | 50% | 150% | | | 60% |
| | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Percentage of the Cash- | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | 100% | 120% From 10% | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | | | | |
| to 15% | 70% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | | | | |
| | | 60% | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23716 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23716

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|----------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 43009 | D | MMBtu | \$.0000 | 03/01/2010 | N |
| DESCRIPTION: LUFKIN, INC. | | | | | |
| Customer | 32588 | MARABOU | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23717

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 12/01/2010 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 32588 | MARABOU | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23717

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| PSIF-9 | 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. |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">_____ Shipper's Email Billing Address: _____</p> <p style="text-align: center;">_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">_____ GENERAL INFORMATION Term of Service</p> <p style="text-align: center;">Begin Date: _____ End Date: _____</p> <p style="text-align: center;">_____ Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23717

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23717

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|--------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-76 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23717 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23717

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-76 B</p> | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23717 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23717

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|------------------------------|------------------|--------------------------|-----------------------|----------------|-----------------------------|--|-------------------------|-------------------------|--|-----|------|---------------------|----------------------|----------------------|-----|-----|-----------------------|-----|------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">The Company Pays Shipper the</td> <td style="width: 33%; text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than</p> | | The Company Pays Shipper the | Shipper Pays the | Underage Imbalance Level | Company the Following | Cash-Out Price | Following Percentage of the | | Out Price From 0% to 5% | Percentage of the Cash- | | 80% | 100% | 100% From 5% to 10% | 130% From 15% to 20% | 120% From 10% to 15% | 70% | 60% | 140% Greater than 20% | 50% | 150% |
| | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | 80% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 60% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23717

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23717

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 32588 | MARABOU | | | |
| 150 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer | 32588 | MARABOU | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23718

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 12/01/2010 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24863 | ATMOS ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23718

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">_____ Shipper's Email Billing Address: _____</p> <p style="text-align: center;">_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">_____ GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____</p> <p style="text-align: center;">_____ Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23718

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User</p> <p>_____ End-User Dunn's Number: _____ End-User Physical</p> <p>Service (Business) Address: _____ End-User Facility Contact</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day)</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____ Office</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23718 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-76 A | <p>End-User: _____ Date of Execution by End-User: _____</p> <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76 2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23718 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23718

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-76 B</p> | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23718 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23718

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|---------|--|--------------------------|------------------------------|------------------|-----------------------------|-----------------------|----------------|-------------------------|--|-------------------------|------|---------------------|-----|----------------------|-----|----------------------|-----------------------|-----|------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%;"></td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than</p> | | Overage | | Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of the | Company the Following | Cash-Out Price | Percentage of the Cash- | | Out Price From 0% to 5% | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 70% | 130% From 15% to 20% | 140% Greater than 20% | 50% | 150% |
| | Overage | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23718 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |

Terms & Conditions

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23718

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23718

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 150 | D | MMBtu | \$.0000 | 02/01/2011 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 194 | D | MMBtu | \$.0000 | 10/01/2012 | N |
| DESCRIPTION: LA PORTE, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 202 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: LEAGUE CITY, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 55670 | D | MMBtu | \$.0000 | 11/01/2011 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 55673 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: BAYTOWN, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 58921 | D | MMBtu | \$.0000 | 09/01/2012 | N |
| DESCRIPTION: ALVIN, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 58924 | D | MMBtu | \$.0000 | 11/01/2011 | N |
| DESCRIPTION: CONROE, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 58935 | D | MMBtu | \$.0000 | 09/01/2012 | N |
| DESCRIPTION: WEBSTER, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 58936 | D | MMBtu | \$.0000 | 07/01/2011 | N |
| DESCRIPTION: WOODLANDS, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23718

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 66265 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: BAYTOWN, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 73135 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: HIGHLANDS, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 73137 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: SUGAR LAND, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 77073 | D | MMBtu | \$.0000 | 02/01/2011 | N |
| DESCRIPTION: PEARLAND, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 77075 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: ROSENBERG, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 77967 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: MISSOURI CITY, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 77972 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: FREEPORT, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 77977 | D | MMBtu | \$.0000 | 09/01/2012 | N |
| DESCRIPTION: KATY, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 77981 | D | MMBtu | \$.0000 | 09/01/2012 | N |
| DESCRIPTION: SEABROOK, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 78666 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: BROOKSHIRE, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23718

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---------------------------------------|-------------|--------------|-----------------------|-----------------------|---------------------|
| 78744 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: FRIENDSWOOD, INC. | | | | | |
| Customer | 24863 | ATMOS ENERGY | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23719

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 01/01/2010 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 31483 | COKINOS | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23719

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User</p> <p>_____ End-User Dunn's Number: _____ End-User Physical</p> <p>Service (Business) Address: _____ End-User Facility Contact</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day)</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____ Office</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23719

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-72 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-72</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day but less than 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23719 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>records to demonstrate such costs and to substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23719

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>days in the Service Month. Once a nomination is made and confirmed by Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> <p>Terms & Conditions</p> |
| <p>Tnspt Terms T-72 B</p> | <p>Continuation from Tnspt Terms T-72 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23719 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23719

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|---|--|---|---|------------------------------------|--|------|---------------------|-----|----------------------|------|-----|----------------------|-----|------------------|-----|------|---|
| | <p>obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 619 487 703">Imbalance Level Percentage of the Cash-</th> <th data-bbox="487 619 893 703">The Company Pays Shipper the Company the Following</th> <th data-bbox="893 619 1218 703">Shipper Pays the Cash-Out Price</th> <th data-bbox="1218 619 1502 703">Following Underage Percentage of the</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 703 487 745">100%</td> <td data-bbox="487 703 893 745">100% From 5% to 10%</td> <td data-bbox="893 703 1218 745">80%</td> <td data-bbox="1218 703 1502 745">120% From 10% to 15%</td> </tr> <tr> <td data-bbox="284 745 487 787">140%</td> <td data-bbox="487 745 893 787">70%</td> <td data-bbox="893 745 1218 787">130% From 15% to 20%</td> <td data-bbox="1218 745 1502 787">60%</td> </tr> <tr> <td data-bbox="284 787 487 829">Greater than 20%</td> <td data-bbox="487 787 893 829">50%</td> <td data-bbox="893 787 1218 829">150%</td> <td data-bbox="1218 787 1502 829">12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall </td> </tr> </tbody> </table> | Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Following Underage Percentage of the | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 140% | 70% | 130% From 15% to 20% | 60% | Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall |
| Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Following Underage Percentage of the | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | | | | | | | | | | | | | | |
| 140% | 70% | 130% From 15% to 20% | 60% | | | | | | | | | | | | | | |
| Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23719

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23719

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 01/01/2010 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 58924 | D | MMBtu | \$.0000 | 11/01/2013 | N |
| DESCRIPTION: CONROE, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23720

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 09/22/2014

INITIAL SERVICE DATE: 07/01/2010 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 8/1/14: Add Delivery Point - Silsbee Env to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 31483 | COKINOS | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23720

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | 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. |
| T-75 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00; plus (ii) First 750 MMBtu @ \$0.97 per MMBtu; Over 750 MMBtu @ \$0.57 per MMBtu; plus (iii) Capacity Charge @ \$0.045 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's</p> <p>Number: _____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p style="text-align: right;">Note: Bills are rendered via E-mail and are due and payable</p> <p>when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23720

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User</p> <p>_____ End-User Dunn's Number: _____ End-User Physical</p> <p>Service (Business) Address: _____ End-User Facility Contact</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day)</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____ Office</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 23720**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-75 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-75</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 23720 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23720

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 23720

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 23720**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|---|------------------------------|------------------|--------------------------|-----------------------|----------------|-----------------------------|-------------------------|-------------------------|-------------------------|------|---------------|------|-----|-----|--------|-----|------|-----------------------|---------------------|---|--|----------------------|---|--|-----|---|--|------|---|--|--|--|--|--|--|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|--|--|--|---|--|--|---|--|--|--|--|--|---|--|--|--|--|--|--|--|--|--|--|--|---|--|--|---|--|--|---|--|--|--|--|--|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|--|--|--|---|--|--|---|--|--|---|--|--|--|--|--|--|--|--|---|--|--|---|--|--|---|--|--|--|--|--|---|--|--|---|--|--|---|--|--|--|--|--|---|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">The Company Pays Shipper the</td> <td style="width: 33%; text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">120% From 10%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: center;">to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">150%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">12.7.2 In the event of an Overage, the Cash Out</td> </tr> <tr> <td></td> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index</td> </tr> <tr> <td></td> <td style="text-align: center;">80%</td> <td style="text-align: center;">plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may</td> </tr> <tr> <td></td> <td style="text-align: center;">150%</td> <td style="text-align: center;">change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided,</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30)</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian,</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs,</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</td> </tr> </table> | | The Company Pays Shipper the | Shipper Pays the | Underage Imbalance Level | Company the Following | Cash-Out Price | Following Percentage of the | Percentage of the Cash- | Out Price From 0% to 5% | Percentage of the Cash- | 100% | 120% From 10% | 100% | 50% | 60% | to 15% | 70% | 150% | 140% Greater than 20% | 100% From 5% to 10% | 12.7.2 In the event of an Overage, the Cash Out | | 130% From 15% to 20% | Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index | | 80% | plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may | | 150% | change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such | | | change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by | | | Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% | | | range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company | | | shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the | | | preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be | | | prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual | | | quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the | | | amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available | | | funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good | | | faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, | | | however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and | | | supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event | | | the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights | | | pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from | | | the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money | | | Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company | | | and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain | | | copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary | | | to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be | | | conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless | | | such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the | | | month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) | | | days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially | | | reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or | | | not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its | | | guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of | | | Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount | | | and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish | | | credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a | | | security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to | | | Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its | | | guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise | | | commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection | | | of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however | | | evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, | | | trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the | | | Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of | | | Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not | | | have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is | | | due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity | | | and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all | | | the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is | | | materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall | | | have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to | | | terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, | | | counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days |
| | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Percentage of the Cash- | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | 100% | 120% From 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 50% | 60% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to 15% | 70% | 150% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 100% From 5% to 10% | 12.7.2 In the event of an Overage, the Cash Out | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 130% From 15% to 20% | Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 80% | plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 150% | change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 23720

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 23720

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 23 | D | MMBtu | \$.0000 | 02/01/2011 | N |
| DESCRIPTION: BEAUMONT, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 43019 | D | MMBtu | \$.0000 | 07/01/2010 | N |
| DESCRIPTION: SAN MARCOS, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 43007 | D | MMBtu | \$.0000 | 07/01/2012 | N |
| DESCRIPTION: LONGVIEW, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |
| 43026 | D | MMBtu | \$.0000 | 06/01/2004 | N |
| DESCRIPTION: SILSBEE, ENVIRONS | | | | | |
| Customer 31483 COKINOS | | | | | |
| 43032 | D | MMBtu | \$.0000 | 05/01/2013 | N |
| DESCRIPTION: VICTORIA, ENVIRONS | | | | | |
| Customer 31483 COKINOS | | | | | |
| 87149 | D | MMBtu | \$.0000 | 04/01/2014 | N |
| DESCRIPTION: EDGEWOOD, ENVIRONS | | | | | |
| Customer 31483 COKINOS | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24231

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: 06/01/2011 **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24864 | TGLO | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24231

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| PSIF-9 | <p>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.</p> |
| T-86 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) a written Transportation Service Agreement and Exhibit A (hereinafter Agreement) have been executed between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point or Delivery Points, as defined in the contract contemplated hereby, on the campus of a state-owned entity that is eligible to purchase State Royalty Gas; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) a monthly service charge of \$4,400.00 per campus; plus (ii) a rate per MMBtu per campus for all gas transported to the facilities of an End-user Customer at the campus during a billing period equal to the sum of: First 3,000 MMBtu @ \$0.40 per MMBtu Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-86</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-86</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's</p> |

Tnspt Terms T-86 A

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24231 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) the campus or campuses of a state-owned entity that is eligible to purchase state royalty gas where all facilities are situated in close geographic proximity and served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of the largest campus will be, based on Company's best estimate, a minimum of 250 Mcf per day; (d) where the actual consumption of any other campus will be, based on Company's best estimate, a minimum of 25 Mcf per day; and (e) the natural gas redelivered is for ultimate consumption at such campus or campuses and not for resale or sharing with others. 2.10 The term End-use Customer shall mean state-owned facilities eligible to purchase state royalty gas and receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 The term State Royalty Gas shall mean natural gas produced on state lands or in state waters, which represents royalties due to the State of Texas, and which the State of Texas through the Commissioner of the Texas General Land Office, has the right to take in kind. 2.23 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24231 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24231 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Revised T-86 Terms & Conditions Replaces Original T-86 Terms & Conditions Effective 06-01-2012</p> |
| Tnspt Terms T-86 B | <p>Continuation from Tnspt Terms T-86 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-86 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture on all meters at the campus facilities using, based on Company's best estimate, 2,500 Mcf or more on an annual basis to determine hourly and daily flow of gas at the Receipt Point, provided that if no campus meter uses at least 2,500 Mcf or more on an annual basis, Company shall install telemetry equipment of standard make and manufacture on the meter at the campus facilities flowing the largest amount of natural gas during the immediately preceding twelve month period. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture on all meters at the campus facilities using, based on Company's best estimate, 2,500 Mcf or more on an annual basis to determine hourly and daily flow of gas at the Receipt Point, provided that if no campus meter uses at least 2,500 Mcf or more on an annual basis, Company shall install telemetry equipment of standard make and manufacture on the meter at the campus facilities flowing the largest amount of natural gas during the immediately preceding twelve month period. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 24231

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper will be responsible for its allocable

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24231

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Revised T-86 Terms & Conditions Replaces Original T-86 Terms & Conditions Effective 06-01-2012</p> |

RATE ADJUSTMENT PROVISIONS:
None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24231

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> | | | | | | |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|-----------------|-------|------|--|--|--|
| 149 | D | MMBtu | \$.0000 | 06/01/2011 | N | | | | | | |
| DESCRIPTION: HOUSTON, INC. | | | | | | | | | | | |
| <table border="1" style="width:100%"> <tr> <td style="width:15%">Customer</td> <td style="width:45%">24864</td> <td style="width:15%">TGLO</td> <td colspan="3"></td> </tr> </table> | | | | | | Customer | 24864 | TGLO | | | |
| Customer | 24864 | TGLO | | | | | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24285

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 09/23/2014

INITIAL SERVICE DATE: 06/01/2011 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 8-1-14: Customer Name Changed from Seminole #28438 to Continuum Energy Services #35296

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|---------------------------|----------------------|-----------------------|
| 35296 | CONTINUUM ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24285

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-69 B | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69</p> <p>11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service.</p> <p>12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24285

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|------|---------------------|-----|------------------|-----|-----|----------------------|-----|-----------------------|-----|------|--|
| | <p>of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Imbalance Level Percentage of the the Cash-</th> <th style="text-align: center;">The Company Pays Shipper the Company the Following</th> <th style="text-align: center;">Shipper Pays the Cash-Out Price Out Price From 0% to 5%</th> <th style="text-align: center;">Overage Underage Following Percentage of</th> </tr> </thead> <tbody> <tr> <td>100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">120% From 10% to</td> </tr> <tr> <td>15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td>140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td></td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be</p> | Imbalance Level Percentage of the the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price Out Price From 0% to 5% | Overage Underage Following Percentage of | 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% | |
| Imbalance Level Percentage of the the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price Out Price From 0% to 5% | Overage Underage Following Percentage of | | | | | | | | | | | | | | |
| 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% | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 24285

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY,

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24285

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions</p> |
| PSIF-9 | <p>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.</p> |
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24285

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time. EXHIBIT A</p> <p style="text-align: right;">Page 1 of 2</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Physical Business Address: _____ Shipper's Email Billing Address: _____ Shipper's _____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable</p> <p>when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>Begin Date: _____ GENERAL INFORMATION Term of Service _____</p> <p>_____ End Date: _____ Evergreen: Yes or No _____</p> <p>Period of Evergreen: 1 Year, 2 Years, etc. _____</p> <p>_____ Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days</p> <p>prior _____ to the expiration date of this Exhibit A to avoid automatic</p> <p>renewal through the evergreen mechanism. Rate Schedule: _____</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____</p> <p>_____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____</p> <p>_____ Delivery Point(s): _____</p> <p>_____ Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____</p> <p>_____ Office _____</p> <p>Fax: _____ E-Mail Address: _____</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p style="text-align: center;">Business E-Mail Address: _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24285

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | |
|----------------------|--|------------|
| | Other Notices _____ Marketing Representative: _____ | All |
| | Office Fax: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Business Mailing Address: _____ | |
| | Operational Notices Employee Name: _____ NOTICES TO END-USER | Office |
| | Fax: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Office Fax: _____ | |
| | All Other Notices Employee Name: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Business Mailing Address: _____ | |
| | INDEX FOR SHIPPER CASH-OUT | |
| | CALCULATIONS Applicable Monthly Index: _____ | |
| | Applicable Index Adder or WACOG: _____ | Applicable |
| | Daily Index: _____ | |
| | ACKNOWLEDGEMENTS Signature of Shipper: _____ | |
| | Date of Execution by Shipper: _____ | |
| | Signature of _____ | |
| | End-User: _____ | |
| | Date of Execution by End-User: _____ | |

Tnspt Terms T-69 A

CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69

1. **APPLICABILITY** 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69

2. **DEFINITIONS** 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24285 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24285

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |

Terms & Conditions

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24285

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> | | | | | | |
|--|-------------|---------------------------|-----------------------|-----------------------|---------------------|-----------------|-------|---------------------------|--|--|--|
| 149 | D | MMBtu | \$.0000 | 06/01/2011 | N | | | | | | |
| DESCRIPTION: HOUSTON, INC. | | | | | | | | | | | |
| <table border="1" style="width:100%"> <tr> <td style="width:15%">Customer</td> <td style="width:20%">35296</td> <td colspan="4">CONTINUUM ENERGY SERVICES</td> </tr> </table> | | | | | | Customer | 35296 | CONTINUUM ENERGY SERVICES | | | |
| Customer | 35296 | CONTINUUM ENERGY SERVICES | | | | | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24286

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| PSIF-9 | 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. |
| T-72 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 29, 2008 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Shipper's Physical Business Address: _____</p> <p>Shipper's Email Billing Address: _____</p> <p>Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p>Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24286

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24286

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-72 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-72</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day but less than 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtu which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24286 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>records to demonstrate such costs and to substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24286

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>days in the Service Month. Once a nomination is made and confirmed by Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> <p>Terms & Conditions</p> |
| <p>Tnspt Terms T-72 B</p> | <p>Continuation from Tnspt Terms T-72 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | | | |
|-------------------------------|---|---|--|
| RRC COID: 6263 | | COMPANY NAME: CENTERPOINT ENERGY ENTEX | |
| TARIFF CODE: DT | | RRC TARIFF NO: 24286 | |
| CURRENT RATE COMPONENT | | | |
| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | |
| | <p>chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be</p> | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24286

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|---|--|---|---|------------------------------------|--|------|---------------------|-----|----------------------|------|-----|----------------------|-----|------------------|-----|------|---|
| | <p>obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 619 487 703">Imbalance Level Percentage of the Cash-</th> <th data-bbox="487 619 893 703">The Company Pays Shipper the Company the Following</th> <th data-bbox="893 619 1218 703">Shipper Pays the Cash-Out Price</th> <th data-bbox="1218 619 1502 703">Following Underage Percentage of the</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 703 487 745">100%</td> <td data-bbox="487 703 893 745">100% From 5% to 10%</td> <td data-bbox="893 703 1218 745">80%</td> <td data-bbox="1218 703 1502 745">120% From 10% to 15%</td> </tr> <tr> <td data-bbox="284 745 487 787">140%</td> <td data-bbox="487 745 893 787">70%</td> <td data-bbox="893 745 1218 787">130% From 15% to 20%</td> <td data-bbox="1218 745 1502 787">60%</td> </tr> <tr> <td data-bbox="284 787 487 829">Greater than 20%</td> <td data-bbox="487 787 893 829">50%</td> <td data-bbox="893 787 1218 829">150%</td> <td data-bbox="1218 787 1502 829">12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall </td> </tr> </tbody> </table> | Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Following Underage Percentage of the | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 140% | 70% | 130% From 15% to 20% | 60% | Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall |
| Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price | Following Underage Percentage of the | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | | | | | | | | | | | | | | |
| 140% | 70% | 130% From 15% to 20% | 60% | | | | | | | | | | | | | | |
| Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24286

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24286

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> | | | |
|---|-------------|--------------|-----------------------|-----------------------|---------------------|-----------------|-------|--------------|
| 149 | D | MMBtu | \$.0000 | 04/01/2011 | N | | | |
| DESCRIPTION: HOUSTON, INC. | | | | | | | | |
| <table border="1" style="width:100%"> <tr> <td style="width:15%">Customer</td> <td style="width:20%">24863</td> <td style="width:65%">ATMOS ENERGY</td> </tr> </table> | | | | | | Customer | 24863 | ATMOS ENERGY |
| Customer | 24863 | ATMOS ENERGY | | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24287

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 09/23/2014

INITIAL SERVICE DATE: 08/01/2011 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Eff 8/1/14: Cust Name Changed from Seminole #28438 to Continuum Energy Services #35296. Remove DP #s 234, 42975 and 77066

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|---------------------------|----------------------|-----------------------|
| 35296 | CONTINUUM ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24287

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75</p> <p>11. FACILITIES</p> <p>11.1 For any Exhibit A effective prior to June 1, 2012:</p> <p>11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry.</p> <p>11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2 For any Exhibit A effective on or after June 1, 2012:</p> <p>11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point.</p> <p>11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point.</p> <p>11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule.</p> <p>11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A:</p> <p>11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or</p> <p>11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month</p> <p>11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer.</p> <p>11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service.</p> <p>12. BALANCING</p> <p>12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply.</p> <p>12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical.</p> <p>12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances.</p> <p>12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply.</p> <p>12.5 Daily Imbalances During Critical Period Events</p> <p>12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers.</p> <p>12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24287

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|--|--|--|--|------------------|--|------|---------------------|-----|---------------|--------|----------------------|-----|--|-----------------------|-----|------|--|
| | <p>of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Underage Imbalance Level Following Percentage of the Percentage of the Cash-</th> <th style="text-align: center;">The Company Pays Shipper the Company the Following</th> <th style="text-align: center;">Shipper Pays the</th> <th style="text-align: center;">Overage Cash-Out Price Out Price From 0% to 5%</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">120% From 10%</td> </tr> <tr> <td style="text-align: center;">to 15%</td> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> <td></td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td></td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be</p> | Underage Imbalance Level Following Percentage of the Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the | Overage Cash-Out Price Out Price From 0% to 5% | 100% | 100% From 5% to 10% | 80% | 120% From 10% | to 15% | 130% From 15% to 20% | 60% | | 140% Greater than 20% | 50% | 150% | |
| Underage Imbalance Level Following Percentage of the Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the | Overage Cash-Out Price Out Price From 0% to 5% | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | 120% From 10% | | | | | | | | | | | | | | |
| to 15% | 130% From 15% to 20% | 60% | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 24287

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY,

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24287

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| PSIF-9 | <p>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.</p> |
| T-75 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00; plus (ii) First 750 MMBtu @ \$0.97 per MMBtu; Over 750 MMBtu @ \$0.57 per MMBtu; plus (iii) Capacity Charge @ \$0.045 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24287

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____ Shipper's Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____ Evergreen: Yes or No _____</p> <p>Period of Evergreen: 1 Year, 2 Years, etc. _____</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____</p> <p>End-User Facility Information End-User Business Name: _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____</p> <p>Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____</p> |

All

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24287

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | Other Notices Marketing Representative: |
| | Office Fax: _____ Office Telephone: _____ |
| | Business E-Mail Address: _____ Business Mailing Address: _____ |
| | Operational Notices Employee Name: _____ NOTICES TO END-USER Office |
| | Fax: _____ Office Telephone: _____ |
| | Business E-Mail Address: _____ |
| | All Other Notices Employee Name: _____ Office Fax: _____ |
| | Office Telephone: _____ |
| | Business E-Mail Address: _____ Business Mailing Address: _____ |
| | INDEX FOR SHIPPER CASH-OUT |
| | CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ |
| | Daily Index: _____ Applicable |
| | ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ |
| | End-User: _____ Signature of _____ Date of Execution by End-User: _____ |

Tnspt Terms T-75 A

CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75

1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-75

2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees,

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24287 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24287

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

Terms & Conditions

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 24287**

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 42997 | D | MMBtu | \$.0000 | 10/01/2012 | N |
| DESCRIPTION: JACKSONVILLE, INC. | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |
| 42978 | D | MMBtu | \$.0000 | 08/01/2011 | N |
| DESCRIPTION: CHEEK, ENVIRONS | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |
| 42991 | D | MMBtu | \$.0000 | 07/01/2013 | N |
| DESCRIPTION: HENDERSON, INC. | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |
| 43033 | D | MMBtu | \$.0000 | 10/01/2012 | N |
| DESCRIPTION: VICTORIA, INC. | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |
| 78512 | D | MMBtu | \$.0000 | 11/01/2011 | N |
| DESCRIPTION: SCHERTZ, INC. | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24288

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 09/23/2014

INITIAL SERVICE DATE: 08/01/2011 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 8-1-14: Customer Name Changed from Seminole #28438 to Continuum Energy Services #24288 . Pearland Inc changed to Twin Eagle T26294.

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|---------------------------|----------------------|-----------------------|
| 35296 | CONTINUUM ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24288

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-76 B | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>11. FACILITIES</p> <p>11.1 For any Exhibit A effective prior to June 1, 2012:</p> <p>11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry.</p> <p>11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2 For any Exhibit A effective on or after June 1, 2012:</p> <p>11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point.</p> <p>11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point.</p> <p>11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule.</p> <p>11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A:</p> <p>11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or</p> <p>11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month</p> <p>11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer.</p> <p>11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service.</p> <p>12. BALANCING</p> <p>12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply.</p> <p>12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical.</p> <p>12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances.</p> <p>12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply.</p> <p>12.5 Daily Imbalances During Critical Period Events</p> <p>12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers.</p> <p>12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24288

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|---------|--|--------------------------|------------------------------|------------------|-----------------------------|-----------------------|----------------|-------------------------|--|-------------------------|------|---------------------|-----|----------------------|-----|----------------------|-----------------------|-----|------|
| | <p>of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%;"></td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment,</p> | | Overage | | Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of the | Company the Following | Cash-Out Price | Percentage of the Cash- | | Out Price From 0% to 5% | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 70% | 130% From 15% to 20% | 140% Greater than 20% | 50% | 150% |
| | Overage | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24288

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24288 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p>Terms & Conditions</p> |
| PSIF-9 | <p>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.</p> |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24288

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Shipper's Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____ Evergreen: Yes or No _____</p> <p>Period of Evergreen: 1 Year, 2 Years, etc. _____</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ End-User Facility Information End-User Business Name: _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24288

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | |
|----------------------|---|------------|
| | Other Notices _____ Marketing Representative: _____ | All |
| | Office Fax: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Business Mailing Address: _____ | |
| | Operational Notices Employee Name: _____ NOTICES TO END-USER | Office |
| | Fax: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Office Fax: _____ | |
| | All Other Notices Employee Name: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Business Mailing Address: _____ | |
| | INDEX FOR SHIPPER CASH-OUT | |
| | CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ | Applicable |
| | Daily Index: _____ | |
| | ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ | |
| | End-User: _____ Signature of _____ Date of Execution by End-User: _____ | |

Tnspt Terms T-76 A

CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76

1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76

2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 24288

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24288

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24288

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 01/01/2012 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |
| 150 | D | MMBtu | \$.0000 | 02/01/2013 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 35296 CONTINUUM ENERGY SERVICES | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24289

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 01/01/2011 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24289

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| PSIF-9 | <p>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.</p> |
| T-85 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) a written Transportation Service Agreement and Exhibit A (hereinafter Agreement) have been executed between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point or Delivery Points, as defined in the contract contemplated hereby, on the campus of a state-owned entity that is eligible to purchase State Royalty Gas; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) a monthly service charge of \$500.00 per campus; plus (ii) a monthly meter charge of \$35.00 per meter for each meter that is not monitored with telemetering equipment; plus (iii) a rate per MMBtu per campus for all gas transported to the facilities of an End-user Customer at the campus during a billing period equal to the sum of: First 3,000 MMBtu @ \$0.50 per MMBtu Next 3,000 MMBtu @ \$0.25 per MMBtu Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C.Section717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-85</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-85</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British</p> |

Tnspt Terms T-85 A

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24289 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) the campus or campuses of a state-owned entity that is eligible to purchase state royalty gas where all facilities are situated in close geographic proximity and served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of the largest campus will be, based on Company's best estimate, a minimum of 50 Mcf per day; (d) where the actual consumption of any other campus will be, based on Company's best estimate, a minimum of 25 Mcf per day; and (e) the natural gas redelivered is for ultimate consumption at such campus or campuses and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24289 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24289

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Revised T-85 Terms & Conditions Replaces Original T-85 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-85 B</p> | <p>Continuation from Tnspt Terms T-85 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-85 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture on all meters at the campus facilities using, based on Company's best estimate, 2,500 Mcf or more on an annual basis to determine hourly and daily flow of gas at the Receipt Point, provided that if no campus meter uses at least 2,500 Mcf or more on an annual basis, Company shall install telemetry equipment of standard make and manufacture on the meter at the campus facilities flowing the largest amount of natural gas during the immediately preceding twelve month period. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture on all meters at the campus facilities using, based on Company's best estimate, 2,500 Mcf or more on an annual basis to determine hourly and daily flow of gas at the Receipt Point, provided that if no campus meter uses at least 2,500 Mcf or more on an annual basis, Company shall install telemetry equipment of standard make and manufacture on the meter at the campus facilities flowing the largest amount of natural gas during the immediately preceding twelve month period. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 24289

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper will be responsible for its allocable

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24289

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|--|-------------------------|---------|----------|-----------------|------------------------------|------------------|-----|-----------------------|----------------|--|--|-------------------------|--|--|-----------|--|--|------|------|----------------|-----|------|-----------------|-----|------|-----------------|-----|--|--|------|--|--|-----------------|--|--|-----|--|--|-----|--|--|------|--|--|------------------|
| | <p>share of any incremental costs associated with Company's upstream transportation, storage, or no-notice services attributable to nomination and scheduling activities of Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%; text-align: center;">Underage</td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Following Percentage of</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">the Cash-</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">130%</td> <td style="text-align: center;">From 15% to 20%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: center;">150%</td> <td style="text-align: center;">From 20% to 30%</td> <td style="text-align: center;">40%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">120%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">From 10% to 15%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">70%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">50%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">140%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Greater than 20%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination</p> | | Overage | Underage | Imbalance Level | The Company Pays Shipper the | Shipper Pays the | the | Company the Following | Cash-Out Price | | | Following Percentage of | | | the Cash- | | | 100% | 100% | From 5% to 10% | 80% | 130% | From 15% to 20% | 60% | 150% | From 20% to 30% | 40% | | | 120% | | | From 10% to 15% | | | 70% | | | 50% | | | 140% | | | Greater than 20% |
| | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| the | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Following Percentage of | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | the Cash- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 130% | From 15% to 20% | 60% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 150% | From 20% to 30% | 40% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 120% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | From 10% to 15% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 140% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Greater than 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24289

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Revised T-85 Terms & Conditions Replaces Original T-85 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

RATE ADJUSTMENT PROVISIONS:
None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24289

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 23 | D | MMBtu | \$.0000 | 07/01/2011 | N |
| DESCRIPTION: BEAUMONT, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 155 | D | MMBtu | \$.0000 | 07/01/2011 | N |
| DESCRIPTION: HUNTSVILLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 183 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: KINGSVILLE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 43019 | D | MMBtu | \$.0000 | 06/01/2012 | N |
| DESCRIPTION: SAN MARCOS, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |
| 71798 | D | MMBtu | \$.0000 | 09/01/2011 | N |
| DESCRIPTION: KILGORE, INC. | | | | | |
| Customer 34371 CENTERPOINT ENERGY SERVICES | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24291

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 12/01/2010 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24291

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | <p>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.</p> |
| T-65 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Shipper's Physical Business Address: _____</p> <p>Shipper's Email Billing Address: _____</p> <p>Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p>Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24291

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | Period of Evergreen: 1 Year, 2 Years, etc. _____ Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24291 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| T-65-Rider-4 | <p>AVAILABILITY AND APPLICATION This Rider is available in the areas identified in Company's Texas Rate Book to any new or existing Shipper of CenterPoint Energy Entex ("Company") who executes or amends a Transportation Service Agreement on or before February 29, 2008, for service under Rate Schedule No. T-65. This rider only applies to transportation service to an End-use customer where the End-use customer will receive, in Company's best estimate, 1,200,000 MMBtu's or more of natural gas annually at one of its Delivery Points and whose cumulative annual delivery for four delivery points shall be, in Company's best estimate, in excess of 1,400,000 MMBtu. This Rider will expire and shall not be available or applicable to any transportation service provided by Company on and after October 31, 2010. NET MONTHLY RATE Under this rider, the Net Monthly Rate per MMBtu for all gas transported in a month shall be the sum of: (i) \$0.10 per MMBtu; plus (ii) Payments To Governmental Authorities, as defined in Rate Schedule No. T-65 and Company's General Terms and Conditions for Transportation Service. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> |
| Tnspt Terms T-65 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24291 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation.</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24291

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-65 B | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24291 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24291

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|---|-----------------------|------------------------------|--------------|---------|----------|-------------------|---------------------------|----------------|----------------|-----------|----------------------------------|---------------|------|-----------------|------|-----|-----|----------------------|-----|-----|----------------------|-----|-----------------------|-----|------|
| | <p>Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Imbalance Level</th> <th style="text-align: left;">The Company Pays Shipper the</th> <th style="text-align: left;">Shipper Pays</th> <th style="text-align: left;">Overage</th> <th style="text-align: left;">Underage</th> </tr> <tr> <th style="text-align: left;">Percentage of the</th> <th style="text-align: left;">the Company the Following</th> <th style="text-align: left;">Cash-Out Price</th> <th style="text-align: left;">Cash-Out Price</th> <th style="text-align: left;">Following</th> </tr> <tr> <th style="text-align: left;">Percentage of the Cash-Out Price</th> <th style="text-align: left;">From 0% to 5%</th> <th style="text-align: left;">100%</th> <th style="text-align: left;">100% From 5% to</th> <th style="text-align: left;">100%</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">10%</td> <td style="text-align: left;">80%</td> <td style="text-align: left;">120% From 10% to 15%</td> <td style="text-align: left;">70%</td> <td style="text-align: left;">50%</td> </tr> <tr> <td style="text-align: left;">130% From 15% to 20%</td> <td style="text-align: left;">60%</td> <td style="text-align: left;">140% Greater than 20%</td> <td style="text-align: left;">50%</td> <td style="text-align: left;">150%</td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed</p> | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Overage | Underage | Percentage of the | the Company the Following | Cash-Out Price | Cash-Out Price | Following | Percentage of the Cash-Out Price | From 0% to 5% | 100% | 100% From 5% to | 100% | 10% | 80% | 120% From 10% to 15% | 70% | 50% | 130% From 15% to 20% | 60% | 140% Greater than 20% | 50% | 150% |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | the Company the Following | Cash-Out Price | Cash-Out Price | Following | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | From 0% to 5% | 100% | 100% From 5% to | 100% | | | | | | | | | | | | | | | | | | | | | | |
| 10% | 80% | 120% From 10% to 15% | 70% | 50% | | | | | | | | | | | | | | | | | | | | | | |
| 130% From 15% to 20% | 60% | 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24291 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24291

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012 Terms & Conditions |

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-----------------------------|-----------------------|-----------------------|---------------------|
| 58937 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: PITTSBURG, INC. | | | | | |
| Customer | 34371 | CENTERPOINT ENERGY SERVICES | | | |
| 58938 | D | MMBtu | \$.0000 | 12/01/2010 | N |
| DESCRIPTION: MT. PLEASANT, INC. | | | | | |
| Customer | 34371 | CENTERPOINT ENERGY SERVICES | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24381

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 03/01/2011 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 29391 | CONSTELLATION | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24381

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-75 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00; plus (ii) First 750 MMBtu @ \$0.97 per MMBtu; Over 750 MMBtu @ \$0.57 per MMBtu; plus (iii) Capacity Charge @ \$0.045 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> |

Page 1 of 2 EXHIBIT A

TO TRANSPORTATION SERVICE AGREEMENT SHIPPER INFORMATION

Name of Shipper: _____ Shipper's Dunn's Number: _____

Shipper's Physical Business Address: _____

Shipper's Email Billing Address: _____

Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____

GENERAL INFORMATION Term of Service

Begin Date: _____ End Date: _____

Evergreen: Yes or No

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24381

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | Period of Evergreen: 1 Year, 2 Years, etc. _____ Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24381 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>End-User: _____ Date of Execution by End-User: _____</p> |
| Tnspt Terms T-75 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-75</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24381 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24381 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 24381

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24381 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|--------------------------|---|----------------------------|--|----------------------------|----------------|------|------|----------------|-----|-----|------|-----------------|-----|-----|------|------------------|------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th>Underage Imbalance Level</th> <th>The Company Pays Shipper the Following Percentage of the Cash-</th> <th>Shipper Pays the Following</th> <th>Cash-Out Price</th> </tr> </thead> <tbody> <tr> <td>100%</td> <td>100%</td> <td>From 5% to 10%</td> <td>80%</td> </tr> <tr> <td>70%</td> <td>130%</td> <td>From 15% to 20%</td> <td>60%</td> </tr> <tr> <td>50%</td> <td>140%</td> <td>Greater than 20%</td> <td>120%</td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | Underage Imbalance Level | The Company Pays Shipper the Following Percentage of the Cash- | Shipper Pays the Following | Cash-Out Price | 100% | 100% | From 5% to 10% | 80% | 70% | 130% | From 15% to 20% | 60% | 50% | 140% | Greater than 20% | 120% |
| Underage Imbalance Level | The Company Pays Shipper the Following Percentage of the Cash- | Shipper Pays the Following | Cash-Out Price | | | | | | | | | | | | | | |
| 100% | 100% | From 5% to 10% | 80% | | | | | | | | | | | | | | |
| 70% | 130% | From 15% to 20% | 60% | | | | | | | | | | | | | | |
| 50% | 140% | Greater than 20% | 120% | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24381 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24381

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|---------------|-----------------------|-----------------------|---------------------|
| 77964 | D | MMBtu | \$.0000 | 03/01/2011 | N |
| DESCRIPTION: ELKHART, INC. | | | | | |
| Customer | 29391 | CONSTELLATION | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24382

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 01/01/2011 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 33145 | CIMA ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24382

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | 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. |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">_____ Shipper's Email Billing Address: _____</p> <p style="text-align: center;">_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">_____ GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____</p> <p style="text-align: center;">_____ Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24382

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>_____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24382

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-76 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24382 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24382

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-76 B</p> | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 24382

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24382

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|------------------------------|------------------|--------------------------|-----------------------|----------------|-----------------------------|--|-------------------------|-------------------------|--|-----|------|---------------------|----------------------|----------------------|-----|-----|-----------------------|-----|------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">The Company Pays Shipper the</td> <td style="width: 33%; text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than</p> | | The Company Pays Shipper the | Shipper Pays the | Underage Imbalance Level | Company the Following | Cash-Out Price | Following Percentage of the | | Out Price From 0% to 5% | Percentage of the Cash- | | 80% | 100% | 100% From 5% to 10% | 130% From 15% to 20% | 120% From 10% to 15% | 70% | 60% | 140% Greater than 20% | 50% | 150% |
| | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | 80% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 60% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24382

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24382 |
|------------------------|-----------------------------|

| |
|------------------------------------|
| RATE ADJUSTMENT PROVISIONS: |
|------------------------------------|

| |
|------|
| None |
|------|

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24382

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 01/01/2011 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |
| 150 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |
| 194 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: LA PORTE, INC. | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |
| 55670 | D | MMBtu | \$.0000 | 04/01/2012 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |
| 58930 | D | MMBtu | \$.0000 | 03/01/2014 | N |
| DESCRIPTION: PASADENA, INC. | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |
| 58936 | D | MMBtu | \$.0000 | 07/01/2008 | N |
| DESCRIPTION: WOODLANDS, ENVIRONS | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |
| 73137 | D | MMBtu | \$.0000 | 03/01/2014 | N |
| DESCRIPTION: SUGAR LAND, ENVIRONS | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |
| 73140 | D | MMBtu | \$.0000 | 05/01/2011 | N |
| DESCRIPTION: KATY, INC. | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |
| 77977 | D | MMBtu | \$.0000 | 07/01/2013 | N |
| DESCRIPTION: KATY, ENVIRONS | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |
| 78667 | D | MMBtu | \$.0000 | 04/01/2013 | N |
| DESCRIPTION: HUNTERS CREEK VILLAGE, INC. | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24382

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24383

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 04/01/2011 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 33146 | VISTA ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24383

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p style="text-align: center;">Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">Begin Date: _____ End Date: _____</p> <p style="text-align: center;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24383

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | Period of Evergreen: 1 Year, 2 Years, etc. Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 24383**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-76 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24383 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24383 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p>Terms & Conditions</p> <p>Tnspt Terms T-76 B Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company provides to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 24383

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24383

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|---------|--|--------------------------|------------------------------|------------------|-----------------------------|-----------------------|----------------|-------------------------|--|-------------------------|------|---------------------|-----|----------------------|-----|----------------------|-----------------------|-----|------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%;"></td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than</p> | | Overage | | Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of the | Company the Following | Cash-Out Price | Percentage of the Cash- | | Out Price From 0% to 5% | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 70% | 130% From 15% to 20% | 140% Greater than 20% | 50% | 150% |
| | Overage | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24383

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 24383**

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 04/01/2011 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 33146 VISTA ENERGY | | | | | |
| 150 | D | MMBtu | \$.0000 | 09/01/2011 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 33146 VISTA ENERGY | | | | | |
| 55678 | D | MMBtu | \$.0000 | 07/01/2012 | N |
| DESCRIPTION: LA PORTE, ENVIRONS | | | | | |
| Customer 33146 VISTA ENERGY | | | | | |
| 55679 | D | MMBtu | \$.0000 | 03/01/2012 | N |
| DESCRIPTION: PASADENA, ENVIRONS | | | | | |
| Customer 33146 VISTA ENERGY | | | | | |
| 58923 | D | MMBtu | \$.0000 | 03/01/2012 | N |
| DESCRIPTION: CHANNEL AREA, ENVIRONS | | | | | |
| Customer 33146 VISTA ENERGY | | | | | |
| 66265 | D | MMBtu | \$.0000 | 07/01/2012 | N |
| DESCRIPTION: BAYTOWN, INC. | | | | | |
| Customer 33146 VISTA ENERGY | | | | | |
| 77073 | D | MMBtu | \$.0000 | 06/01/2011 | N |
| DESCRIPTION: PEARLAND, INC. | | | | | |
| Customer 33146 VISTA ENERGY | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24628

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 12/01/2011 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24863 | ATMOS ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24628

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24628

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-75 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-75</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24628 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24628 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company provides to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24628

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 24628**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|--|------------------------------|------------------|--------------------------|-----------------------|----------------|-----------------------------|-------------------------|-------------------------|-------------------------|------|---------------|------|-----|-----|--------|-----|------|-----------------------|---------------------|---|--|----------------------|---|--|------|---|--|--|---|--|--|--|--|--|--|--|--|---|--|--|--|--|--|---|--|--|---|--|--|---|--|--|---|--|--|--|--|--|---|--|--|--|--|--|---|--|--|---|--|--|--|--|--|---|--|--|---|--|--|---|--|--|--|--|--|---|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">The Company Pays Shipper the</td> <td style="width: 33%; text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">120% From 10%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: center;">to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">150%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">12.7.2 In the event of an Overage, the Cash Out</td> </tr> <tr> <td></td> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index</td> </tr> <tr> <td></td> <td style="text-align: center;">150%</td> <td style="text-align: center;">plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided,</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall:</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian,</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs,</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</td> </tr> </table> | | The Company Pays Shipper the | Shipper Pays the | Underage Imbalance Level | Company the Following | Cash-Out Price | Following Percentage of the | Percentage of the Cash- | Out Price From 0% to 5% | Percentage of the Cash- | 100% | 120% From 10% | 100% | 50% | 60% | to 15% | 70% | 150% | 140% Greater than 20% | 100% From 5% to 10% | 12.7.2 In the event of an Overage, the Cash Out | | 130% From 15% to 20% | Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index | | 150% | plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may | | | 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% | | | 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the | | | 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available | | | 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, | | | 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money | | | 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain | | | 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or | | | 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: | | | 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection | | | 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, | | | 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of | | | 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is | | | 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity | | | and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all | | | the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is | | | materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall | | | have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to | | | terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, | | | counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days |
| | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Percentage of the Cash- | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | 100% | 120% From 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 50% | 60% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to 15% | 70% | 150% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 100% From 5% to 10% | 12.7.2 In the event of an Overage, the Cash Out | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 130% From 15% to 20% | Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 150% | plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24628 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24628

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24628

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 23 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: BEAUMONT, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 42970 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: BASTROP, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 43003 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: LAREDO, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 43014 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: NEW BRAUNFELS, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 43026 | D | MMBtu | \$.0000 | 08/01/2012 | N |
| DESCRIPTION: SILSBEE, ENVIRONS | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 43033 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: VICTORIA, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 66345 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: UNIVERSAL CITY, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 78512 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: SCHERTZ, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 78741 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: BUDA, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |
| 78742 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: FLORESVILLE, INC. | | | | | |
| Customer 24863 ATMOS ENERGY | | | | | |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24628

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--------------------------------|-------------|--------------|-----------------------|-----------------------|---------------------|
| 78743 | D | MMBtu | \$.0000 | 12/01/2011 | N |
| DESCRIPTION: KYLE, INC. | | | | | |
| Customer | 24863 | ATMOS ENERGY | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24641

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: 02/01/2012 **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 31483 | COKINOS | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24641

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-65 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____ _____ Shipper's Physical Business Address: Shipper's Email Billing Address: _____ _____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____ GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____ _____ Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24641

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | Period of Evergreen: 1 Year, 2 Years, etc. Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24641

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-65 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 24641

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24641 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> |
| Tnspt Terms T-65 B | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 24641

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24641

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|---|-----------------------|---------|----------|-----------------|------------------------------|--------------|-------------------|---------------------------|----------------|----------------------------------|---------------|------|-----|-----|------|----------------------|-----|-----|-----|------|-----------------------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%; text-align: center;">Underage</td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays</td> </tr> <tr> <td style="text-align: center;">Percentage of the</td> <td style="text-align: center;">the Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-Out Price</td> <td style="text-align: center;">From 0% to 5%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td style="text-align: center;">140% Greater than 20%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date</p> | | Overage | Underage | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Percentage of the | the Company the Following | Cash-Out Price | Percentage of the Cash-Out Price | From 0% to 5% | 100% | 10% | 80% | 100% | 130% From 15% to 20% | 60% | 70% | 50% | 150% | 140% Greater than 20% |
| | Overage | Underage | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | the Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | From 0% to 5% | 100% | | | | | | | | | | | | | | | | | | | | |
| 10% | 80% | 100% | | | | | | | | | | | | | | | | | | | | |
| 130% From 15% to 20% | 60% | 70% | | | | | | | | | | | | | | | | | | | | |
| 50% | 150% | 140% Greater than 20% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24641

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>(the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24641

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 252 | D | MMBtu | \$.0000 | 02/01/2012 | N |
| DESCRIPTION: ORANGE, ENVIRONS | | | | | |
| Customer 31483 COKINOS | | | | | |
| 43035 | D | MMBtu | \$.0000 | 11/01/2013 | N |
| DESCRIPTION: WEIMAR, INC. | | | | | |
| Customer 31483 COKINOS | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24758

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 01/01/2012 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:** 06/01/2012

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 33495 | NORTH STAR GAS | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24758

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p style="text-align: center;">Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">Begin Date: _____ End Date: _____</p> <p style="text-align: center;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 24758

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User</p> <p>_____ End-User Dunn's Number: _____ End-User Physical</p> <p>Service (Business) Address: _____ End-User Facility Contact</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day)</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____ Office</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24758

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-76 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24758 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24758

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-76 B</p> | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24758

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 24758**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|------------------------------|------------------|--------------------------|-----------------------|----------------|-----------------------------|--|-------------------------|-------------------------|--|-----|------|---------------------|----------------------|----------------------|-----|-----|-----------------------|-----|------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">The Company Pays Shipper the</td> <td style="width: 33%; text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than</p> | | The Company Pays Shipper the | Shipper Pays the | Underage Imbalance Level | Company the Following | Cash-Out Price | Following Percentage of the | | Out Price From 0% to 5% | Percentage of the Cash- | | 80% | 100% | 100% From 5% to 10% | 130% From 15% to 20% | 120% From 10% to 15% | 70% | 60% | 140% Greater than 20% | 50% | 150% |
| | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | 80% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 60% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 24758 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |

Terms & Conditions

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 24758

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 01/01/2012 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 33495 NORTH STAR GAS | | | | | |
| 150 | D | MMBtu | \$.0000 | 12/01/2012 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 33495 NORTH STAR GAS | | | | | |
| 55673 | D | MMBtu | \$.0000 | 09/01/2012 | N |
| DESCRIPTION: BAYTOWN, ENVIRONS | | | | | |
| Customer 33495 NORTH STAR GAS | | | | | |
| 58930 | D | MMBtu | \$.0000 | 12/01/2012 | N |
| DESCRIPTION: PASADENA, INC. | | | | | |
| Customer 33495 NORTH STAR GAS | | | | | |
| 66265 | D | MMBtu | \$.0000 | 06/01/2012 | N |
| DESCRIPTION: BAYTOWN, INC. | | | | | |
| Customer 33495 NORTH STAR GAS | | | | | |
| 67773 | D | MMBtu | \$.0000 | 11/01/2012 | N |
| DESCRIPTION: LIVERPOOL, INC. | | | | | |
| Customer 33495 NORTH STAR GAS | | | | | |
| 73142 | D | MMBtu | \$.0000 | 01/01/2012 | N |
| DESCRIPTION: GALENA PARK, INC. | | | | | |
| Customer 33495 NORTH STAR GAS | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25207

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 06/01/2012 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25207

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: right;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>_____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p>_____ GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25207

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25207 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| T-69 Rider 2 | CENTERPOINT ENERGY ENTEX TRANSPORTATION SERVICE RIDER 2 - RATE SCHEDULE T-69 AVAILABILITY AND APPLICATION This Rider is available in the areas identified in Company's Texas Rate Book to any new or existing Shipper of CenterPoint Energy Entex ('Company) who executes or amends a Transportation Service Agreement on or before June 1, 2012, for service under Rate Schedule No. T-69. This rider only applies to transportation service to an End-use customer at a single Delivery Point where the End-use customer will receive, in Company's best estimate, 220,000 MMBtu or more of natural gas annually. Until cancelled, this Rider will renew annually on May 31 of each year after 2012. NET MONTHLY RATE Under this rider, the Net Monthly Rate per MMBtu for all gas transported in a month shall be the sum of: (i) \$0.10 per MMBtu; plus (ii) Payments To Governmental Authorities, as defined in Rate Schedule No. T-69, and Company's General Terms and Conditions for Transportation Service. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time. |
| Tnspt Terms T-69 A | CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69 2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be |

GAS SERVICES DIVISION
 GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25207

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25207

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |
| Tnspt Terms T-69 B | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25207 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 For any multi-day period measured from the</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25207

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25207

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions |

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|-----------------------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 06/01/2012 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 34371 | CENTERPOINT ENERGY SERVICES | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25438

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 06/01/2012 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 33146 | VISTA ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25438

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-72 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 29, 2008 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p style="text-align: center;">Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25438

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | Period of Evergreen: 1 Year, 2 Years, etc. Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25438

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-72 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-72</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day but less than 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtu which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25438 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>records to demonstrate such costs and to substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telex number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telex number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25438

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>days in the Service Month. Once a nomination is made and confirmed by Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> <p>Terms & Conditions</p> |
| <p>Tnspt Terms T-72 B</p> | <p>Continuation from Tnspt Terms T-72 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 25438

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25438

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|---|--|---|---|---|---|------|---------------------|-----|----------------------|------|-----|----------------------|-----|------------------|-----|------|---|
| | <p>obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 619 487 703">Imbalance Level Percentage of the Cash-</th> <th data-bbox="487 619 893 703">The Company Pays Shipper the Company the Following</th> <th data-bbox="893 619 1218 703">Shipper Pays the Cash-Out Price Out Price From 0% to 5%</th> <th data-bbox="1218 619 1502 703">Overage Underage Following Percentage of the</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 703 487 745">100%</td> <td data-bbox="487 703 893 745">100% From 5% to 10%</td> <td data-bbox="893 703 1218 745">80%</td> <td data-bbox="1218 703 1502 745">120% From 10% to 15%</td> </tr> <tr> <td data-bbox="284 745 487 787">140%</td> <td data-bbox="487 745 893 787">70%</td> <td data-bbox="893 745 1218 787">130% From 15% to 20%</td> <td data-bbox="1218 745 1502 787">60%</td> </tr> <tr> <td data-bbox="284 787 487 829">Greater than 20%</td> <td data-bbox="487 787 893 829">50%</td> <td data-bbox="893 787 1218 829">150%</td> <td data-bbox="1218 787 1502 829">12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall </td> </tr> </tbody> </table> | Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price Out Price From 0% to 5% | Overage Underage Following Percentage of the | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 140% | 70% | 130% From 15% to 20% | 60% | Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall |
| Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price Out Price From 0% to 5% | Overage Underage Following Percentage of the | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | | | | | | | | | | | | | | |
| 140% | 70% | 130% From 15% to 20% | 60% | | | | | | | | | | | | | | |
| Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25438

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25438

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|--------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 06/01/2012 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 33146 | VISTA ENERGY | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25673

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 07/01/2012 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 33495 | NORTH STAR GAS | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25673

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | 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. |
| T-75 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00; plus (ii) First 750 MMBtu @ \$0.97 per MMBtu; Over 750 MMBtu @ \$0.57 per MMBtu; plus (iii) Capacity Charge @ \$0.045 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's</p> <p>Number: _____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p style="text-align: right;">Note: Bills are rendered via E-mail and are due and payable</p> <p>when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25673

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | Period of Evergreen: 1 Year, 2 Years, etc. _____ Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25673

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|--------------------|--|
| Tnspt Terms T-75 A | <p>End-User: _____ Date of Execution by End-User: _____</p> <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-75</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25673 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25673 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25673

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25673

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|--------------------------|------------------------------|------------------|---------|-----------------------------|-----------------------|--|----------------|-------------------------|--|--|-------------------------|------|------|----------------|-----|--------|-----|------|-----|------|-----|-----------------|------|------------------|--|------|--------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 611 535 638">Underage Imbalance Level</th> <th data-bbox="535 611 958 638">The Company Pays Shipper the</th> <th data-bbox="958 611 1104 638">Shipper Pays the</th> <th data-bbox="1104 611 1502 638">Overage</th> </tr> <tr> <th data-bbox="284 638 535 665">Following Percentage of the</th> <th data-bbox="535 638 958 665">Company the Following</th> <th data-bbox="958 638 1104 665"></th> <th data-bbox="1104 638 1502 665">Cash-Out Price</th> </tr> <tr> <th data-bbox="284 665 535 693">Percentage of the Cash-</th> <th data-bbox="535 665 958 693"></th> <th data-bbox="958 665 1104 693"></th> <th data-bbox="1104 665 1502 693">Out Price From 0% to 5%</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 693 535 720">100%</td> <td data-bbox="535 693 958 720">100%</td> <td data-bbox="958 693 1104 720">From 5% to 10%</td> <td data-bbox="1104 693 1502 720">80%</td> </tr> <tr> <td data-bbox="284 720 535 747">to 15%</td> <td data-bbox="535 720 958 747">70%</td> <td data-bbox="958 720 1104 747">130%</td> <td data-bbox="1104 720 1502 747">60%</td> </tr> <tr> <td data-bbox="284 747 535 774">140%</td> <td data-bbox="535 747 958 774">50%</td> <td data-bbox="958 747 1104 774">From 15% to 20%</td> <td data-bbox="1104 747 1502 774">120%</td> </tr> <tr> <td data-bbox="284 774 535 802">Greater than 20%</td> <td data-bbox="535 774 958 802"></td> <td data-bbox="958 774 1104 802">150%</td> <td data-bbox="1104 774 1502 802">12.7.2</td> </tr> </tbody> </table> <p>In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Overage | Following Percentage of the | Company the Following | | Cash-Out Price | Percentage of the Cash- | | | Out Price From 0% to 5% | 100% | 100% | From 5% to 10% | 80% | to 15% | 70% | 130% | 60% | 140% | 50% | From 15% to 20% | 120% | Greater than 20% | | 150% | 12.7.2 |
| Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Overage | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | | Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% | From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to 15% | 70% | 130% | 60% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 140% | 50% | From 15% to 20% | 120% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Greater than 20% | | 150% | 12.7.2 | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25673 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25673

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> | | | | | | |
|--|-------------|----------------|-----------------------|-----------------------|---------------------|-----------------|-------|----------------|--|--|--|
| 80460 | D | MMBtu | \$.0000 | 07/01/2012 | N | | | | | | |
| DESCRIPTION: CONVERSE, INC. | | | | | | | | | | | |
| <table border="1"> <tr> <td>Customer</td> <td>33495</td> <td colspan="4">NORTH STAR GAS</td> </tr> </table> | | | | | | Customer | 33495 | NORTH STAR GAS | | | |
| Customer | 33495 | NORTH STAR GAS | | | | | | | | | |
| 80461 | D | MMBtu | \$.0000 | 07/01/2012 | N | | | | | | |
| DESCRIPTION: POTH, INC. | | | | | | | | | | | |
| <table border="1"> <tr> <td>Customer</td> <td>33495</td> <td colspan="4">NORTH STAR GAS</td> </tr> </table> | | | | | | Customer | 33495 | NORTH STAR GAS | | | |
| Customer | 33495 | NORTH STAR GAS | | | | | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25728

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 06/16/2014

INITIAL SERVICE DATE: 01/01/2013 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 5/1/14: Add Delivery Point: - Houston Env to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 33145 | CIMA ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 25728**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | 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. |
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: right;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>_____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25728

CURRENT RATE COMPONENT

Table with columns RATE COMP. ID and DESCRIPTION. Includes sections for Period of Evergreen, Facility Information, Service (Business) Address, Delivery Information, Operational Notices, and ACKNOWLEDGEMENTS.

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25728

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-69 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION
 GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25728

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25728

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-69 B</p> | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 25728

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25728 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|--|------------------|------------------------------|------------------|---------|----------|-------------------------|-----------------------|--|----------------|-----------|--|--|--|-------------------------|---------------|------|------|----------------|-----|------|-----|-----|------|-----------------|-----|------|------------------|-----|------|--|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th>Imbalance Level</th> <th>The Company Pays Shipper the</th> <th>Shipper Pays the</th> <th>Overage</th> <th>Underage</th> </tr> <tr> <th>Percentage of the Cash-</th> <th>Company the Following</th> <th></th> <th>Cash-Out Price</th> <th>Following</th> </tr> <tr> <th></th> <th></th> <th></th> <th>Out Price From 0% to 5%</th> <th>Percentage of</th> </tr> </thead> <tbody> <tr> <td>100%</td> <td>100%</td> <td>From 5% to 10%</td> <td>80%</td> <td>120%</td> </tr> <tr> <td>15%</td> <td>70%</td> <td>130%</td> <td>From 15% to 20%</td> <td>60%</td> </tr> <tr> <td>140%</td> <td>Greater than 20%</td> <td>50%</td> <td>150%</td> <td></td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Overage | Underage | Percentage of the Cash- | Company the Following | | Cash-Out Price | Following | | | | Out Price From 0% to 5% | Percentage of | 100% | 100% | From 5% to 10% | 80% | 120% | 15% | 70% | 130% | From 15% to 20% | 60% | 140% | Greater than 20% | 50% | 150% | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | Company the Following | | Cash-Out Price | Following | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Out Price From 0% to 5% | Percentage of | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% | From 5% to 10% | 80% | 120% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15% | 70% | 130% | From 15% to 20% | 60% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 140% | Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25728 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25728

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 150 | D | MMBtu | \$.0000 | 05/01/2014 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |
| 55678 | D | MMBtu | \$.0000 | 01/01/2013 | N |
| DESCRIPTION: LA PORTE, ENVIRONS | | | | | |
| Customer 33145 CIMA ENERGY | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25886

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 02/01/2013 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add pipeline safety inspection fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 25886**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | 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. |
| T-88 | <p>CENTERPOINT ENERGY ENTEX TRANSPORTATION SERVICE RATE SCHEDULE NO. T-88 AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) a written Transportation Service Agreement and Exhibit A (hereinafter Agreement) have been executed between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point or Delivery Points, as defined in the contract contemplated hereby, on the campus of a municipally-owned entity that is eligible to purchase State Royalty Gas; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) a rate per MMBtu for all gas transported to the facilities of an End-user Customer at the campus(es) during a twelve month period running from February to January: First 1,500,000 MMBtu @ \$870,000.00 Over 1,500,000 MMBtu @ \$0.10 per MMBtu; plus (ii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. (iii) The \$870,000 charge for the first 1,500,000 MMBtu shall be divided into twelve (12) equal monthly installments of \$72,500.00 for billing purposes. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> |
| Tnspt Terms T-88 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-88</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-88</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25886

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) the campus or campuses of a municipally-owned entity that is eligible to purchase state royalty gas where all facilities are situated in close geographic proximity and served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of the combined campus or campuses will be, based on Company's best estimate, a minimum of 1,000,000 MMBtu per year; and (d) the natural gas redelivered is for ultimate consumption at such campus or campuses and not for resale or sharing with others. 2.10 The term End-use Customer shall mean state-owned facilities eligible to purchase state royalty gas and receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 The term State Royalty Gas shall mean natural gas produced on state lands or in state waters, which represents royalties due to the State of Texas, and which the State of Texas through the Commissioner of the Texas General Land Office, has the right to take in kind. 2.23 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 25886

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25886 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-88 B | <p>construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service.</p> <p>Continuation from Tnspt Terms T-88 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-88 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture on all meters at the campus facilities using, based on Company's best estimate, 2,500 Mcf or more on an annual basis to determine hourly and daily flow of gas at the Receipt Point, provided that if no campus meter uses at least 2,500 Mcf or more on an annual basis, Company shall install telemetry equipment of standard make and manufacture on the meter at the campus facilities flowing the largest amount of natural gas during the immediately preceding twelve month period. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture on all meters at the campus facilities using, based on Company's best estimate, 2,500 Mcf or more on an annual basis to determine hourly and daily flow of gas at the Receipt Point, provided that if no campus meter uses at least 2,500 Mcf or more on an annual basis, Company shall install telemetry equipment of standard make and manufacture on the meter at the campus facilities flowing the largest amount of natural gas during the immediately preceding twelve month period. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries at low fixed pressure \$30.00 per meter per month Transportation redeliveries with</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25886 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 25886**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-----------------------|---------|----------|-----------------|------------------------------|------------------|-----------------------------|-----------------------|----------------|-------------------------|--|----------------|----------|------|---------------------|-----|----------------------|-----|-----------------|-----|-----------------------|-----|------|--|
| | <p>scheduling activities of Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances</p> <p>12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%; text-align: center;">Underage</td> </tr> <tr> <td>Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> </tr> <tr> <td>Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">Out Price From</td> </tr> <tr> <td>0% to 5%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> </tr> <tr> <td>80%</td> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td>From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">140% Greater than 20%</td> </tr> <tr> <td>50%</td> <td style="text-align: center;">150%</td> <td></td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper on or before the 15th day of each month (Billing Date) for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination</p> | | Overage | Underage | Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of the | Company the Following | Cash-Out Price | Percentage of the Cash- | | Out Price From | 0% to 5% | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 70% | From 15% to 20% | 60% | 140% Greater than 20% | 50% | 150% | |
| | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | Out Price From | | | | | | | | | | | | | | | | | | | | | | | |
| 0% to 5% | 100% | 100% From 5% to 10% | | | | | | | | | | | | | | | | | | | | | | | |
| 80% | 120% From 10% to 15% | 70% | | | | | | | | | | | | | | | | | | | | | | | |
| From 15% to 20% | 60% | 140% Greater than 20% | | | | | | | | | | | | | | | | | | | | | | | |
| 50% | 150% | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25886

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure.</p> |

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25886

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|-----------------------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 03/01/2013 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 34371 | CENTERPOINT ENERGY SERVICES | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25887

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 08/21/2014

INITIAL SERVICE DATE: 02/01/2013 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 7/1/14: Add Delivery Point - Houston Env to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 34368 | IINFINITE ENERGY | N | |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25887

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-76 B | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>11. FACILITIES</p> <p>11.1 For any Exhibit A effective prior to June 1, 2012:</p> <p>11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry.</p> <p>11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2 For any Exhibit A effective on or after June 1, 2012:</p> <p>11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point.</p> <p>11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point.</p> <p>11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read.</p> <p>11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule.</p> <p>11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A:</p> <p>11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or</p> <p>11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month</p> <p>11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer.</p> <p>11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service.</p> <p>12. BALANCING</p> <p>12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply.</p> <p>12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical.</p> <p>12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances.</p> <p>12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply.</p> <p>12.5 Daily Imbalances During Critical Period Events</p> <p>12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers.</p> <p>12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25887

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|---------|--|--------------------------|------------------------------|------------------|-----------------------------|-----------------------|----------------|-------------------------|--|-------------------------|------|---------------------|-----|----------------------|-----|----------------------|-----------------------|-----|------|
| | <p>of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%;"></td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment,</p> | | Overage | | Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of the | Company the Following | Cash-Out Price | Percentage of the Cash- | | Out Price From 0% to 5% | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 70% | 130% From 15% to 20% | 140% Greater than 20% | 50% | 150% |
| | Overage | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 25887

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25887 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p>Terms & Conditions</p> |
| PSIF-9 | <p>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.</p> |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25887

CURRENT RATE COMPONENT

RATE COMP. ID

DESCRIPTION

would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.

EXHIBIT A

TO TRANSPORTATION SERVICE AGREEMENT

Page 1 of 2

SHIPPER INFORMATION Name of Shipper:

Number: Shipper's Dunn's Shipper's Physical Business Address: Shipper's Email Billing Address:

Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. Shipper's Business Email Address:

Begin Date: End Date: Evergreen: Yes or No

Period of Evergreen: 1 Year, 2 Years, etc. Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: End-User

Facility Information End-User Business Name: End-User Dunn's Number: End-User Physical Service (Business) Address: End-User Facility Contact for Operating Information and Emergency Notices Name: Office Telephone: Office Fax: E-Mail Address:

Delivery Information Number of Meters Receiving Transportation Service: Delivery Point(s): Receipt Point(s): Quantities: MDQ (in MMBtu/day)

Upstream Pipeline Contact for Confirmations Name: Office Telephone: Office Fax: E-Mail Address:

EXHIBIT A Page 2 of 2

TO TRANSPORTATION SERVICE AGREEMENT NOTICES TO SHIPPER

Operational Notices Supply Coordinator: Office Fax: Office Telephone: Business E-Mail Address:

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25887

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | |
|----------------------|--|--------------|
| | Other Notices _____ Marketing Representative: _____ | All |
| | Office Fax: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Business Mailing Address: _____ | |
| | Operational Notices Employee Name: _____ NOTICES TO END-USER _____ | Office |
| | Fax: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Office Fax: _____ | |
| | All Other Notices Employee Name: _____ Office Telephone: _____ | |
| | Business E-Mail Address: _____ Business Mailing Address: _____ | |
| | INDEX FOR SHIPPER CASH-OUT | |
| | CALCULATIONS Applicable Monthly Index: _____ | |
| | Applicable Index Adder or WACOG: _____ | Applicable |
| | Daily Index: _____ | |
| | ACKNOWLEDGEMENTS Signature of Shipper: _____ | |
| | Date of Execution by Shipper: _____ | Signature of |
| | End-User: _____ | |
| | Date of Execution by End-User: _____ | |

Tnspt Terms T-76 A

CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76

1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76

2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25887 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 25887 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 25887

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 150 | D | MMBtu | \$.0000 | 07/01/2014 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 34368 IINFINITE ENERGY | | | | | |
| 55670 | D | MMBtu | \$.0000 | 02/01/2013 | N |
| DESCRIPTION: SUGAR LAND, INC. | | | | | |
| Customer 34368 IINFINITE ENERGY | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26046

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 03/01/2013 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 33495 | NORTH STAR GAS | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26046

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | <p>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.</p> |
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: right;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>_____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26046

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | Period of Evergreen: 1 Year, 2 Years, etc. _____ Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26046

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-69 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 26046

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26046

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-69 B</p> | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 26046

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have

GAS SERVICES DIVISION
 GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26046

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|---|----------------------------|--|----------------------------|------------------------|-------------------------|-------------------------|--|--|---------------|-------------|------|------|-----------|-----|------|-----|-----|------------|-----|--|------|------------------|-----|------|--|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th>Imbalance Level</th> <th>The Company Pays Shipper the Following</th> <th>Shipper Pays the Following</th> <th>Overage Cash-Out Price</th> <th>Underage Cash-Out Price</th> </tr> </thead> <tbody> <tr> <td>Percentage of the Cash-</td> <td></td> <td></td> <td>From 0% to 5%</td> <td>From 10% to</td> </tr> <tr> <td>100%</td> <td>100%</td> <td>5% to 10%</td> <td>80%</td> <td>120%</td> </tr> <tr> <td>15%</td> <td>70%</td> <td>15% to 20%</td> <td>60%</td> <td></td> </tr> <tr> <td>140%</td> <td>Greater than 20%</td> <td>50%</td> <td>150%</td> <td></td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | Imbalance Level | The Company Pays Shipper the Following | Shipper Pays the Following | Overage Cash-Out Price | Underage Cash-Out Price | Percentage of the Cash- | | | From 0% to 5% | From 10% to | 100% | 100% | 5% to 10% | 80% | 120% | 15% | 70% | 15% to 20% | 60% | | 140% | Greater than 20% | 50% | 150% | |
| Imbalance Level | The Company Pays Shipper the Following | Shipper Pays the Following | Overage Cash-Out Price | Underage Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | | From 0% to 5% | From 10% to | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% | 5% to 10% | 80% | 120% | | | | | | | | | | | | | | | | | | | | | | |
| 15% | 70% | 15% to 20% | 60% | | | | | | | | | | | | | | | | | | | | | | | |
| 140% | Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26046

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26046

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|----------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 03/01/2013 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 33495 | NORTH STAR GAS | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26098

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 09/01/2012 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-----------------------------|----------------------|-----------------------|
| 34371 | CENTERPOINT ENERGY SERVICES | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 26098**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | 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. |
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: right;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>_____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26098

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26098 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| T-69 Rider 3 | CENTERPOINT ENERGY ENTEX TRANSPORTATION SERVICE RIDER 3 - RATE SCHEDULE T-69 AVAILABILITY AND APPLICATION This Rider is available in the areas identified in Company's Texas Rate Book to any new or existing Shipper of CenterPoint Energy Entex ('Company) who executes or amends a Transportation Service Agreement on or before September 1, 2012, for service under Rate Schedule No. T-69. This rider only applies to transportation service to an End-use customer at a single Delivery Point where the End-use customer will receive, in Company's best estimate, 800,000 MMBtu or more of natural gas annually. Until cancelled, this Rider will renew annually on August 31, 2013. NET MONTHLY RATE Under this rider, the Net Monthly Rate per MMBtu for all gas transported in a month shall be the sum of: (i) \$0.10 per MMBtu; plus (ii) Payments To Governmental Authorities, as defined in Rate Schedule No. T-69, and Company's General Terms and Conditions for Transportation Service. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time. |
| Tnspt Terms T-69 A | CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69 2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26098 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26098

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |
| Tnspt Terms T-69 B | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26098 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 For any multi-day period measured from the</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26098

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26098

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions |

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|-----------------------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 09/01/2012 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 34371 | CENTERPOINT ENERGY SERVICES | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

The parties are affiliated.

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26293

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 07/01/2013 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-------------------------|----------------------|-----------------------|
| 34599 | ENERGY TRANSFER COMPANY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26293

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| PSIF-9 | 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. |
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: right;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p>SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p>Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>_____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26293

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | Period of Evergreen: 1 Year, 2 Years, etc. _____ Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 26293**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-69 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26293

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26293

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-69 B</p> | <p>Continuation from Tnspt Terms T-69 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26293 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26293 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|---|-----------------------|------------------------------|------------------|---------|----------|-------------------------|-----------------------|-----------------------|----------------|---------------|------|------|----------------|-----|------|-----|-----|------|-----------------|-----|------|------------------|-----|------|--------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th>Imbalance Level</th> <th>The Company Pays Shipper the</th> <th>Shipper Pays the</th> <th>Overage</th> <th>Underage</th> </tr> <tr> <th>Percentage of the Cash-</th> <th>Company the Following</th> <th>Company the Following</th> <th>Cash-Out Price</th> <th>Percentage of</th> </tr> <tr> <th>100%</th> <td>100%</td> <td>From 5% to 10%</td> <td>80%</td> <td>120%</td> </tr> <tr> <th>15%</th> <td>70%</td> <td>130%</td> <td>From 15% to 20%</td> <td>60%</td> </tr> <tr> <th>140%</th> <td>Greater than 20%</td> <td>50%</td> <td>150%</td> <td>12.7.2</td> </tr> </thead> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Overage | Underage | Percentage of the Cash- | Company the Following | Company the Following | Cash-Out Price | Percentage of | 100% | 100% | From 5% to 10% | 80% | 120% | 15% | 70% | 130% | From 15% to 20% | 60% | 140% | Greater than 20% | 50% | 150% | 12.7.2 |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | Company the Following | Company the Following | Cash-Out Price | Percentage of | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% | From 5% to 10% | 80% | 120% | | | | | | | | | | | | | | | | | | | | | | |
| 15% | 70% | 130% | From 15% to 20% | 60% | | | | | | | | | | | | | | | | | | | | | | |
| 140% | Greater than 20% | 50% | 150% | 12.7.2 | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26293 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26293

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 07/01/2013 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |
| 150 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |
| 55673 | D | MMBtu | \$.0000 | 08/01/2013 | N |
| DESCRIPTION: BAYTOWN, ENVIRONS | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |
| 68838 | D | MMBtu | \$.0000 | 02/01/2014 | N |
| DESCRIPTION: BARRETT'S SETTLEMENT, ENVIRONS | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26294

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 10/02/2014

INITIAL SERVICE DATE: 07/01/2013 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Effective 9/1/14: Add Delivery Point - Pasadena Env and Houston Env to this tariff

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|--------------------------------|----------------------|-----------------------|
| 34600 | TWIN EAGLE RESOURCE MANAGEMENT | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26294 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| Tnspt Terms T-76 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26294 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26294

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012 Terms & Conditions</p> |
| <p>Tnspt Terms T-76 B</p> | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26294 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper will be responsible for its allocable share of any incremental costs associated with Company's upstream transportation, storage, or no-notice services attributable to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 26294**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-------------------------|---------|--|--------------------------|------------------------------|------------------|-----------------------------|-----------------------|----------------|-------------------------|--|-------------------------|------|---------------------|-----|----------------------|-----|----------------------|-----------------------|-----|------|
| | <p>nomination and scheduling activities of Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%;"></td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td></td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination</p> | | Overage | | Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of the | Company the Following | Cash-Out Price | Percentage of the Cash- | | Out Price From 0% to 5% | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 70% | 130% From 15% to 20% | 140% Greater than 20% | 50% | 150% |
| | Overage | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | |
| 120% From 10% to 15% | 70% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 50% | 150% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26294

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |
| PSIF-9 | <p>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.</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 26294**

CURRENT RATE COMPONENT

RATE COMP. ID **DESCRIPTION**

T-76 AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.

EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT
Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's

Number: _____ Shipper's Physical Business Address: _____
Shipper's Email Billing Address: _____

when E-mail is sent by Company. _____ Note: Bills are rendered via E-mail and are due and payable
Shipper's Business Email Address: _____
GENERAL INFORMATION Term of Service

Begin Date: _____ End Date: _____
Evergreen: Yes or No _____

Period of Evergreen: 1 Year, 2 Years, etc. _____

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26294

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____</p> <p>End-User</p> <p>Facility Information End-User Business Name: _____</p> <p>End-User Dunn's Number: _____</p> <p>End-User Physical</p> <p>Service (Business) Address: _____</p> <p>End-User Facility Contact</p> <p>for Operating Information and Emergency Notices Name: _____</p> <p>Office Telephone: _____</p> <p>Office Fax: _____</p> <p>E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____</p> <p>Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____</p> <p>Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____</p> <p>Office Telephone: _____</p> <p>Office</p> <p>Fax: _____</p> <p>E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____</p> <p>Office Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>Business Mailing Address: _____</p> <p>NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____</p> <p>Office</p> <p>Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____</p> <p>Office Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____</p> <p>Applicable Index Adder or WACOG: _____</p> <p>Applicable</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____</p> <p>Date of Execution by Shipper: _____</p> <p>Signature of</p> <p>End-User: _____</p> <p>Date of Execution by End-User: _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26294

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|---|-------------|-------------|-----------------------|-----------------------|---------------------|
| 55673 | D | MMBTu | \$.0000 | 08/01/2013 | N |
| DESCRIPTION: BAYTOWN, ENVIRONS | | | | | |
| Customer 34600 TWIN EAGLE RESOURCE MANAGEMENT | | | | | |
| 55679 | D | MMBTU | \$.0000 | 09/01/2014 | N |
| DESCRIPTION: PASADENA, ENVIRONS | | | | | |
| Customer 34600 TWIN EAGLE RESOURCE MANAGEMENT | | | | | |
| 77073 | D | MMBTu | \$.0000 | 08/01/2014 | N |
| DESCRIPTION: PEARLAND, INC. | | | | | |
| Customer 34600 TWIN EAGLE RESOURCE MANAGEMENT | | | | | |
| 149 | D | MMBTu | \$.0000 | 07/01/2013 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 34600 TWIN EAGLE RESOURCE MANAGEMENT | | | | | |
| 150 | D | MMBTu | \$.0000 | 09/01/2014 | N |
| DESCRIPTION: HOUSTON, ENVIRONS | | | | | |
| Customer 34600 TWIN EAGLE RESOURCE MANAGEMENT | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26370

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 10/01/2013 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-------------------------|----------------------|-----------------------|
| 34599 | ENERGY TRANSFER COMPANY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 26370**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| PSIF-9 | 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. |
| T-65 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">_____ Shipper's Email Billing Address: _____</p> <p style="text-align: center;">_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">_____ GENERAL INFORMATION Term of Service</p> <p style="text-align: center;">Begin Date: _____ End Date: _____</p> <p style="text-align: center;">_____ Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26370

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | Period of Evergreen: 1 Year, 2 Years, etc. _____ Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ Facility Information End-User Business Name: _____ End-User _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ _____ _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ _____ E-Mail Address: _____ _____ EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER Operational Notices Supply Coordinator: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ NOTICES TO END-USER Operational Notices Employee Name: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Employee Name: _____ Office Fax: _____ _____ Office Telephone: _____ Business E-Mail Address: _____ Business Mailing Address: _____ _____ INDEX FOR SHIPPER CASH-OUT CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ _____ Applicable Daily Index: _____ ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ _____ Signature of |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26370

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-65 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26370

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26370

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> |
| Tnspt Terms T-65 B | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26370

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26370

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|--|-----------------------|---------|----------|-----------------|------------------------------|--------------|-------------------|---------------------------|----------------|----------------------------------|---------------|------|-----|-----|-----------------|----------------------|-----|-----|-----|------|-----------------------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Overage</td> <td style="width: 33%; text-align: center;">Underage</td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> <td style="text-align: center;">Shipper Pays</td> </tr> <tr> <td style="text-align: center;">Percentage of the</td> <td style="text-align: center;">the Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-Out Price</td> <td style="text-align: center;">From 0% to 5%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">100% From 5% to</td> </tr> <tr> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td style="text-align: center;">140% Greater than 20%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date</p> | | Overage | Underage | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Percentage of the | the Company the Following | Cash-Out Price | Percentage of the Cash-Out Price | From 0% to 5% | 100% | 10% | 80% | 100% From 5% to | 130% From 15% to 20% | 60% | 70% | 50% | 150% | 140% Greater than 20% |
| | Overage | Underage | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | the Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | From 0% to 5% | 100% | | | | | | | | | | | | | | | | | | | | |
| 10% | 80% | 100% From 5% to | | | | | | | | | | | | | | | | | | | | |
| 130% From 15% to 20% | 60% | 70% | | | | | | | | | | | | | | | | | | | | |
| 50% | 150% | 140% Greater than 20% | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26370

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>(the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 26370**

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 23 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: BEAUMONT, INC. | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |
| 359 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: TYLER, INC. | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |
| 42999 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: JASPER, INC. | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |
| 43030 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: TYLER, ENVIRONS | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26371

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 10/01/2013 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-------------------------|----------------------|-----------------------|
| 34599 | ENERGY TRANSFER COMPANY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26371

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-76 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">_____ Shipper's Email Billing Address: _____</p> <p style="text-align: center;">_____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">_____ GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____</p> <p style="text-align: center;">_____ Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26371

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>_____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 26371**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-76 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-76</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26371

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26371

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> |
| <p>Tnspt Terms T-76 B</p> | <p>Continuation from Tnspt Terms T-76 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-76 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26371 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26371

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-76 Terms & Conditions Replaces Revised T-76 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 26371**

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 12/01/2013 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |
| 68838 | D | MMBtu | \$.0000 | 02/01/2014 | N |
| DESCRIPTION: BARRETT'S SETTLEMENT, ENVIRONS | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |
| 73140 | D | MMBtu | \$.0000 | 10/01/2013 | N |
| DESCRIPTION: KATY, INC. | | | | | |
| Customer 34599 ENERGY TRANSFER COMPANY | | | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26396

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 11/01/2013 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 33145 | CIMA ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26396

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| PSIF-9 | 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. |
| T-72 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 29, 2008 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____</p> <p style="text-align: center;">_____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p style="text-align: center;">Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: center;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26396

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User</p> <p>_____ End-User Dunn's Number: _____ End-User Physical</p> <p>Service (Business) Address: _____ End-User Facility Contact</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day)</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____ Office</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____</p> <p>_____ Applicable</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____</p> <p>_____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26396

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-72 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-72</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day but less than 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtu which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26396 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>records to demonstrate such costs and to substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26396

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>days in the Service Month. Once a nomination is made and confirmed by Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> <p>Terms & Conditions</p> |
| <p>Tnspt Terms T-72 B</p> | <p>Continuation from Tnspt Terms T-72 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26396 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26396

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|------|---------------------|-----|----------------------|-----------------------|-----|----------------------|-----|--|-----|------|---|
| | <p>obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 619 487 703">Imbalance Level Percentage of the Cash-</th> <th data-bbox="487 619 893 703">The Company Pays Shipper the Company the Following</th> <th data-bbox="893 619 1218 703">Shipper Pays the Cash-Out Price Out Price From 0% to 5%</th> <th data-bbox="1218 619 1502 703">Overage Underage Following Percentage of the</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 703 487 745">100%</td> <td data-bbox="487 703 893 745">100% From 5% to 10%</td> <td data-bbox="893 703 1218 745">80%</td> <td data-bbox="1218 703 1502 745">120% From 10% to 15%</td> </tr> <tr> <td data-bbox="284 745 487 787">140% Greater than 20%</td> <td data-bbox="487 745 893 787">70%</td> <td data-bbox="893 745 1218 787">130% From 15% to 20%</td> <td data-bbox="1218 745 1502 787">60%</td> </tr> <tr> <td data-bbox="284 787 487 829"></td> <td data-bbox="487 787 893 829">50%</td> <td data-bbox="893 787 1218 829">150%</td> <td data-bbox="1218 787 1502 829">12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall </td> </tr> </tbody> </table> | Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price Out Price From 0% to 5% | Overage Underage Following Percentage of the | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 140% Greater than 20% | 70% | 130% From 15% to 20% | 60% | | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall |
| Imbalance Level Percentage of the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price Out Price From 0% to 5% | Overage Underage Following Percentage of the | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | | | | | | | | | | | | | | |
| 140% Greater than 20% | 70% | 130% From 15% to 20% | 60% | | | | | | | | | | | | | | |
| | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26396 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26396

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 11/01/2013 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 33145 | CIMA ENERGY | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26397

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 11/01/2013 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-------------------------|----------------------|-----------------------|
| 34599 | ENERGY TRANSFER COMPANY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26397

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| PSIF-9 | 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. |
| T-75 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00; plus (ii) First 750 MMBtu @ \$0.97 per MMBtu; Over 750 MMBtu @ \$0.57 per MMBtu; plus (iii) Capacity Charge @ \$0.045 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's</p> <p>Number: _____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p>_____ Note: Bills are rendered via E-mail and are due and payable</p> <p>when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26397

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>_____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26397

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-75 A | <p>End-User: _____ Date of Execution by End-User: _____</p> <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75 1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-75 2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26397 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26397

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26397 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26397

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|---|------------------------------|------------------|--------------------------|-----------------------|----------------|-----------------------------|-------------------------|-------------------------|-------------------------|------|---------------|------|----------------|-----|--------|------|-----|------|-----------------|---|------------------|-----|---|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">The Company Pays Shipper the</td> <td style="width: 33%; text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">120% From 10%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">From 5% to 10%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">to 15%</td> <td style="text-align: center;">130%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: center;">140%</td> <td style="text-align: center;">From 15% to 20%</td> <td style="text-align: center;">12.7.2 In the event of an Overage, the Cash Out</td> </tr> <tr> <td style="text-align: center;">Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days </td> </tr> </table> | | The Company Pays Shipper the | Shipper Pays the | Underage Imbalance Level | Company the Following | Cash-Out Price | Following Percentage of the | Percentage of the Cash- | Out Price From 0% to 5% | Percentage of the Cash- | 100% | 120% From 10% | 100% | From 5% to 10% | 80% | to 15% | 130% | 60% | 140% | From 15% to 20% | 12.7.2 In the event of an Overage, the Cash Out | Greater than 20% | 50% | Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days |
| | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Percentage of the Cash- | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | 100% | 120% From 10% | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | From 5% to 10% | 80% | | | | | | | | | | | | | | | | | | | | | | | |
| to 15% | 130% | 60% | | | | | | | | | | | | | | | | | | | | | | | |
| 140% | From 15% to 20% | 12.7.2 In the event of an Overage, the Cash Out | | | | | | | | | | | | | | | | | | | | | | | |
| Greater than 20% | 50% | Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26397 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26397

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------------------|-----------------------|-----------------------|---------------------|
| 96 | D | MMBtu | \$.0000 | 11/01/2013 | N |
| DESCRIPTION: EL CAMPO, ENVIRONS | | | | | |
| Customer | 34599 | ENERGY TRANSFER COMPANY | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26533

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 01/01/2014 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|---|----------------------|-----------------------|
| 34820 | APACHE NATURAL GAS TRANSPORTATION FUELS | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26533

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| PSIF-9 | 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. |
| T-75 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 28, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.</p> <p>DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book.</p> <p>NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00; plus (ii) First 750 MMBtu @ \$0.97 per MMBtu; Over 750 MMBtu @ \$0.57 per MMBtu; plus (iii) Capacity Charge @ \$0.045 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.</p> <p>EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.</p> <p>PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.</p> <p>OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.</p> <p>BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.</p> <p>NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq.</p> <p>WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.</p> <p>CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).</p> <p>MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.</p> <p>GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT</p> <p style="text-align: center;">Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's</p> <p>Number: _____ Shipper's Physical Business Address: _____</p> <p style="text-align: center;">Shipper's Email Billing Address: _____</p> <p style="text-align: right;">Note: Bills are rendered via E-mail and are due and payable</p> <p>when E-mail is sent by Company. _____ Shipper's Business Email Address: _____</p> <p style="text-align: right;">GENERAL INFORMATION Term of Service</p> <p>Begin Date: _____ End Date: _____</p> <p style="text-align: right;">Evergreen: Yes or No</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26533

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>Period of Evergreen: 1 Year, 2 Years, etc.</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule:</p> <p>Facility Information End-User Business Name: _____ End-User _____</p> <p>_____ End-User Dunn's Number: _____ End-User Physical _____</p> <p>Service (Business) Address: _____ End-User Facility Contact _____</p> <p>for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>_____</p> <p>_____ Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____</p> <p>_____ E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ All _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>_____ NOTICES TO END-USER _____</p> <p>Operational Notices Employee Name: _____ Office _____</p> <p>Fax: _____ Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>_____ Office Telephone: _____</p> <p>Business E-Mail Address: _____ Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____ Applicable Index Adder or WACOG: _____ Applicable _____</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____ Date of Execution by Shipper: _____ Signature of _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26533

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | End-User: _____ Date of Execution by End-User: _____ |
| Tnspt Terms T-75 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-75</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, including existing pipeline commitments, existing gas supply costs, and additional administrative costs. The Company shall maintain adequate records to demonstrate such costs and to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26533 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>substantiate that this result has been achieved, and shall make such information available to the Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26533 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012 Terms & Conditions</p> |
| Tnspt Terms T-75 B | <p>Continuation from Tnspt Terms T-75 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-75 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 26533

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 26533**

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|-------------------------|------------------------------|------------------|--------------------------|-----------------------|----------------|-----------------------------|-------------------------|-------------------------|-------------------------|------|---------------------|------|-----|-----|--------|-----|----------------------|-----------------------|------|-----|--|--|---------------|
| | <p>received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">The Company Pays Shipper the</td> <td style="width: 33%; text-align: center;">Shipper Pays the</td> </tr> <tr> <td style="text-align: center;">Underage Imbalance Level</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Cash-Out Price</td> </tr> <tr> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">Out Price From 0% to 5%</td> </tr> <tr> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> </tr> <tr> <td style="text-align: center;">100%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">80%</td> </tr> <tr> <td style="text-align: center;">to 15%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">130% From 15% to 20%</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td style="text-align: center;">150%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">120% From 10%</td> </tr> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days</p> | | The Company Pays Shipper the | Shipper Pays the | Underage Imbalance Level | Company the Following | Cash-Out Price | Following Percentage of the | Percentage of the Cash- | Out Price From 0% to 5% | Percentage of the Cash- | 100% | 100% From 5% to 10% | 100% | 70% | 80% | to 15% | 50% | 130% From 15% to 20% | 140% Greater than 20% | 150% | 60% | | | 120% From 10% |
| | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | | | | |
| Underage Imbalance Level | Company the Following | Cash-Out Price | | | | | | | | | | | | | | | | | | | | | | | |
| Following Percentage of the | Percentage of the Cash- | Out Price From 0% to 5% | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | 100% | 100% From 5% to 10% | | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 70% | 80% | | | | | | | | | | | | | | | | | | | | | | | |
| to 15% | 50% | 130% From 15% to 20% | | | | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | 150% | 60% | | | | | | | | | | | | | | | | | | | | | | | |
| | | 120% From 10% | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26533

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-75 Terms & Conditions Replaces Revised T-75 Effective 06-01-2012</p> |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26533

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|------------------------------------|-------------|---|-----------------------|-----------------------|---------------------|
| 55674 | D | MMBtu | \$.0000 | 01/01/2014 | N |
| DESCRIPTION: EL CAMPO, INC. | | | | | |
| Customer | 34820 | APACHE NATURAL GAS TRANSPORTATION FUELS | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26534

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 01/01/2014 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|-------------------------|----------------------|-----------------------|
| 34599 | ENERGY TRANSFER COMPANY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26534 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| Tnspt Terms T-89 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-89</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-89</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 10 Mcf per day but less than 50 Mcf per day; and (d) the natural gas redelivered is for ultimate distribution by the End-use Customer on its natural gas distribution system. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26534 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>Acceptance of a Shipper as an approved Shipper on Company`s system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper`s most recent audited financial statements; 3.6.1.2 A copy of Shipper`s most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper`s affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper`s obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors` committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court`s jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper`s ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company`s credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn`s) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent`s principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company`s system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company`s system or adversely affect Company`s existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper`s gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set</p> |

GAS SERVICES DIVISION
GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26534

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|--|
| | <p>forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service.</p> |
| <p>Tnspt Terms T-89 B</p> | <p>Continuation from Tnspt Terms T-89 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-89 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries at low fixed pressure \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 26534

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges,

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26534

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|---|-----------------------|------------------------------|------------------|--|-----------------|-----------------------------|-----------------------|----------|-----------|------------------------|-------|-------|--------------------------|-----|------|-------------|--------|----------------------|----------------------|------|-----|-----|-----|---------------------------|-----------------------|--|--|--|
| | <p>and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances</p> <p>12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">The Company Pays Shipper the</td> <td style="width: 25%; text-align: center;">Shipper Pays the</td> <td style="width: 25%;"></td> </tr> <tr> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Company the Following</td> <td style="text-align: center;">Underage</td> </tr> <tr> <td style="text-align: center;">Out Price</td> <td style="text-align: center;">Percentage of the Cash</td> <td style="text-align: center;">Cash-</td> <td style="text-align: center;">Cash-</td> </tr> <tr> <td style="text-align: center;">-Out Price From 0% to 5%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">00% From 5%</td> </tr> <tr> <td style="text-align: center;">to 10%</td> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">120% From 10% to 15%</td> <td style="text-align: center;">150%</td> </tr> <tr> <td style="text-align: center;">70%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">60%</td> <td style="text-align: center;">12.7.2 In the event of an</td> </tr> <tr> <td style="text-align: center;">140% Greater than 20%</td> <td></td> <td></td> <td></td> </tr> </table> <p>Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall</p> | | The Company Pays Shipper the | Shipper Pays the | | Imbalance Level | Following Percentage of the | Company the Following | Underage | Out Price | Percentage of the Cash | Cash- | Cash- | -Out Price From 0% to 5% | 80% | 100% | 00% From 5% | to 10% | 130% From 15% to 20% | 120% From 10% to 15% | 150% | 70% | 50% | 60% | 12.7.2 In the event of an | 140% Greater than 20% | | | |
| | The Company Pays Shipper the | Shipper Pays the | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Imbalance Level | Following Percentage of the | Company the Following | Underage | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Out Price | Percentage of the Cash | Cash- | Cash- | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -Out Price From 0% to 5% | 80% | 100% | 00% From 5% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to 10% | 130% From 15% to 20% | 120% From 10% to 15% | 150% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 70% | 50% | 60% | 12.7.2 In the event of an | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 140% Greater than 20% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26534 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure.</p> |
| PSIF-9 | 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. |
| T-89 | CENTERPOINT ENERGY ENTEX TRANSPORTATION SERVICE RATE SCHEDULE NO. T-89 AVAILABILITY Service |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 26534

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after November 1, 2013 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$200.00 (ii) First 750 MMBtu @ \$1.15 per MMBtu; Over 750 MMBtu @ \$0.75 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> |

RATE ADJUSTMENT PROVISIONS:

None

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--|-------------|-------------------------|-----------------------|-----------------------|---------------------|
| 86725 | D | MMBtu | \$.0000 | 01/01/2014 | N |
| DESCRIPTION: BEACH CITY, ENVIRONS | | | | | |
| Customer | 34599 | ENERGY TRANSFER COMPANY | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26534

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 26632

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 04/23/2014

INITIAL SERVICE DATE: 02/01/2014 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Add Pipeline Safety Inspection Fee

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 24864 | TGLO | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26632 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) the campus or campuses of a state-owned entity that is eligible to purchase state royalty gas where all facilities are situated in close geographic proximity and served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of the combined campuses will be, based on Company's best estimate, a minimum of 1,000 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such campus or campuses and not for resale or sharing with others. 2.10 The term End-use Customer shall mean state-owned facilities eligible to purchase state royalty gas and receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 The term State Royalty Gas shall mean natural gas produced on state lands or in state waters, which represents royalties due to the State of Texas, and which the State of Texas through the Commissioner of the Texas General Land Office, has the right to take in kind. 2.23 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26632 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26632 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-87 B | <p>service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service.</p> <p>Continuation from Tnspt Terms T-87 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-87 11. FACILITIES 11.1 For any Exhibit A effective on or after September 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Upon execution of the Agreement, Company shall install telemetry equipment of standard make and manufacture on all meters at the campus facilities using, based on Company's best estimate, 2,500 Mcf or more on an annual basis to determine hourly and daily flow of gas at the Receipt Point, provided that if no campus meter uses at least 2,500 Mcf or more on an annual basis, Company shall install telemetry equipment of standard make and manufacture on the meter at the campus facilities flowing the largest amount of natural gas during the immediately preceding twelve month period. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.1.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.1.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.1.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.1.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.1.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.2 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.3 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26632 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|---|--|------------------------------|-----------------|------------------------------|------------------|-----------------------------|-------------------------|-----------------------|----------------|-----------|---------------|------|--------|-----|------|-----------------|-----|------|-----------------|-----|--|------|--|------|--|--|--|------------------|
| | <p>per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of the applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <tr> <td style="text-align: center;">Overage</td> <td style="text-align: center;">Underage</td> <td style="text-align: center;">Imbalance Level</td> <td style="text-align: center;">The Company Pays Shipper the</td> </tr> <tr> <td style="text-align: center;">Shipper Pays the</td> <td style="text-align: center;">Following Percentage of the</td> <td style="text-align: center;">Percentage of the Cash-</td> <td style="text-align: center;">Company the Following</td> </tr> <tr> <td style="text-align: center;">Cash-Out Price</td> <td style="text-align: center;">Out Price</td> <td style="text-align: center;">From 0% to 5%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">to 10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">120%</td> <td style="text-align: center;">From 10% to 15%</td> </tr> <tr> <td style="text-align: center;">50%</td> <td style="text-align: center;">130%</td> <td style="text-align: center;">From 15% to 20%</td> <td style="text-align: center;">70%</td> </tr> <tr> <td style="text-align: center;"></td> <td style="text-align: center;">150%</td> <td style="text-align: center;">12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-</td> <td style="text-align: center;">140%</td> </tr> <tr> <td style="text-align: center;"></td> <td style="text-align: center;"></td> <td style="text-align: center;">out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as</td> <td style="text-align: center;">Greater than 20%</td> </tr> </table> | Overage | Underage | Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following Percentage of the | Percentage of the Cash- | Company the Following | Cash-Out Price | Out Price | From 0% to 5% | 100% | to 10% | 80% | 120% | From 10% to 15% | 50% | 130% | From 15% to 20% | 70% | | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash- | 140% | | | out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as | Greater than 20% |
| Overage | Underage | Imbalance Level | The Company Pays Shipper the | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shipper Pays the | Following Percentage of the | Percentage of the Cash- | Company the Following | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash-Out Price | Out Price | From 0% to 5% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| to 10% | 80% | 120% | From 10% to 15% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50% | 130% | From 15% to 20% | 70% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash- | 140% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as | Greater than 20% | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26632 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper on or before the 15th day of each month (Billing Date) for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 26632 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure.</p> |

RATE ADJUSTMENT PROVISIONS:

| |
|------|
| None |
|------|

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 02/01/2014 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 24864 | TGLO | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME: CENTERPOINT ENERGY ENTEX**

TARIFF CODE: DT **RRC TARIFF NO: 26632**

TUC APPLICABILITY**FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY**

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27005

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 08/21/2014

INITIAL SERVICE DATE: 07/01/2014 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: Y **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): None

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|--------------------------------|----------------------|-----------------------|
| 34600 | TWIN EAGLE RESOURCE MANAGEMENT | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27005

CURRENT RATE COMPONENT

RATE COMP. ID DESCRIPTION

T-65 AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after May 31, 2004 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$500.00 (ii) First 3,000 MMBtu @ \$0.50 per MMBtu; Next 3,000 MMBtu @ \$0.25 per MMBtu; Over 6,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.

EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT
Page 1 of 2 SHIPPER INFORMATION Name of Shipper: Shipper's Dunn's
Number: Shipper's Physical Business Address:
Shipper's Email Billing Address:
Note: Bills are rendered via E-mail and are due and payable
when E-mail is sent by Company. Shipper's Business Email Address:
GENERAL INFORMATION Term of Service
Begin Date: End Date:
Evergreen: Yes or No
Period of Evergreen: 1 Year, 2 Years, etc.

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27005

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____</p> <p>End-User Facility Information End-User Business Name: _____</p> <p>End-User Dunn's Number: _____</p> <p>End-User Physical Service (Business) Address: _____</p> <p>End-User Facility Contact for Operating Information and Emergency Notices Name: _____</p> <p>Office Telephone: _____</p> <p>Office Fax: _____</p> <p>E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____</p> <p>Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____</p> <p>Office Telephone: _____</p> <p>Office Fax: _____</p> <p>E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____</p> <p>Office Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>Business Mailing Address: _____</p> <p>NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____</p> <p>Office Telephone: _____</p> <p>Office Fax: _____</p> <p>Business E-Mail Address: _____</p> <p>Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____</p> <p>Applicable Index Adder or WACOG: _____</p> <p>Applicable Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____</p> <p>Date of Execution by Shipper: _____</p> <p>Signature of End-User: _____</p> <p>Date of Execution by End-User: _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 27005 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-65 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-65</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 27005

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend a renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telex number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telex number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 27005

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| | <p>Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012 Terms & Conditions</p> |
| <p>Tnspt Terms T-65 B</p> | <p>Continuation from Tnspt Terms T-65 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-65 11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetry is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 27005

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper will be responsible for its allocable share of any incremental costs associated with Company's upstream transportation, storage, or no-notice services attributable to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 27005 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------|--|----------------------|------------------------------|-----------------|---------|----------|-------------------|---------------------------|--|----------------|-----------|----------------------------------|---------------|------|--|-----------------|-----|-----|----------------------|--|-----|--|----------------------|-----|-----------------------|--|-----|------|--|--|--|
| | <p>nomination and scheduling activities of Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th>Imbalance Level</th> <th>The Company Pays Shipper the</th> <th>Shipper Pays</th> <th>Overage</th> <th>Underage</th> </tr> <tr> <th>Percentage of the</th> <th>the Company the Following</th> <th></th> <th>Cash-Out Price</th> <th>Following</th> </tr> </thead> <tbody> <tr> <td>Percentage of the Cash-Out Price</td> <td>From 0% to 5%</td> <td>100%</td> <td></td> <td>100% From 5% to</td> </tr> <tr> <td>10%</td> <td>80%</td> <td>120% From 10% to 15%</td> <td></td> <td>70%</td> </tr> <tr> <td></td> <td>130% From 15% to 20%</td> <td>60%</td> <td>140% Greater than 20%</td> <td></td> </tr> <tr> <td>50%</td> <td>150%</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount</p> | Imbalance Level | The Company Pays Shipper the | Shipper Pays | Overage | Underage | Percentage of the | the Company the Following | | Cash-Out Price | Following | Percentage of the Cash-Out Price | 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% | | | |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays | Overage | Underage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the | the Company the Following | | Cash-Out Price | Following | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash-Out Price | 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% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 27005

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MEJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-65 Terms & Conditions Replaces Revised T-65 Effective 06-01-2012</p> <p style="text-align: center;">Terms & Conditions</p> |

RATE ADJUSTMENT PROVISIONS:

None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27005

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--------------------------------------|-------------|--------------------------------|-----------------------|-----------------------|---------------------|
| 42989 | D | MMBtu | \$.0000 | 07/01/2014 | N |
| DESCRIPTION: GLADEWATER, INC. | | | | | |
| Customer | 34600 | TWIN EAGLE RESOURCE MANAGEMENT | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27006

DESCRIPTION: Distribution Transportation **STATUS:** A

OPERATOR NO:

ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 09/17/2014

INITIAL SERVICE DATE: 07/01/2014 **TERM OF CONTRACT DATE:**

INACTIVE DATE: **AMENDMENT DATE:**

CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: N **RRC DOCKET NO:**

CITY ORDINANCE NO:

AMENDMENT(EXPLAIN): None

OTHER(EXPLAIN): Refiling with the right upload file

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 34368 | IINFINITE ENERGY | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 27006 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| Tnspt Terms T-72 B | <p>Continuation from Tnspt Terms T-72 A. CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72</p> <p>11. FACILITIES 11.1 For any Exhibit A effective prior to June 1, 2012: 11.1.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry. 11.1.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2 For any Exhibit A effective on or after June 1, 2012: 11.2.1 Company shall install, operate and maintain whatever facilities are necessary to receive gas at the Receipt Point(s). If Company agrees to provide new or additional facilities to perform services requested by Shipper, then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. Telemetering is required for service under these General Terms. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow of gas at the Receipt Point. Shipper shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available at the Receipt Point. 11.2.2 Shipper or Shipper's designee shall install, operate and maintain at its own expense whatever facilities are necessary to safely receive and utilize gas at and beyond the Delivery Point. 11.2.3 If Shipper chooses analog telemetry, then Shipper or Shipper's designee shall be responsible for installing and maintaining telecommunications lines. Should Shipper or Shipper's designee fail to maintain or repair telecommunications equipment and services required to communicate with telemetry equipment, Company shall have the right to bill Shipper for all labor, materials and other expense required to manually read the meter at whatever intervals the Company may deem necessary. In no case shall such charge be less than \$250.00 per meter read. 11.2.4 If Shipper chooses wireless telemetry, then Shipper shall pay Company \$15 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule. 11.2.5 Shipper will pay Company or cause Company to be paid for telemetry equipment under one of the following payment options as chosen by the original Shipper in the initial Exhibit A: 11.2.5.1 Shipper will reimburse Company or cause Company to be reimbursed for the full, installed cost of such telemetry within 45 days of installation; or 11.2.5.2 Shipper shall pay Company or cause Company to be paid a monthly administrative fee per meter for the entire period such meter(s) is(are) served under this or any other transportation rate schedule as follows: Transportation redeliveries without pressure instrumentation \$30.00 per meter per month Transportation redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service.</p> <p>12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 27006

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|--|-------------------------|--|------------------|-----------|-------------------------|-----------------------|----------------|-------------------|--|--|-------------------------|----------|------|---------------------|-----|----------------------|------|-----|----------------------|-----|------------------|-----|------|--|
| | <p>of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper 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 Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Imbalance Level</th> <th style="text-align: center;">The Company Pays Shipper the</th> <th style="text-align: center;">Shipper Pays the</th> <th style="text-align: center;">Following</th> </tr> <tr> <th style="text-align: left;">Percentage of the Cash-</th> <th style="text-align: center;">Company the Following</th> <th style="text-align: center;">Cash-Out Price</th> <th style="text-align: center;">Percentage of the</th> </tr> <tr> <th style="text-align: left;"></th> <th style="text-align: center;"></th> <th style="text-align: center;">Out Price From 0% to 5%</th> <th style="text-align: center;">Underage</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">100%</td> <td style="text-align: center;">100% From 5% to 10%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">120% From 10% to 15%</td> </tr> <tr> <td style="text-align: left;">140%</td> <td style="text-align: center;">70%</td> <td style="text-align: center;">130% From 15% to 20%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td style="text-align: left;">Greater than 20%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">150%</td> <td style="text-align: center;">12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be </td> </tr> </tbody> </table> | Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following | Percentage of the Cash- | Company the Following | Cash-Out Price | Percentage of the | | | Out Price From 0% to 5% | Underage | 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | 140% | 70% | 130% From 15% to 20% | 60% | Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be |
| Imbalance Level | The Company Pays Shipper the | Shipper Pays the | Following | | | | | | | | | | | | | | | | | | | | | | |
| Percentage of the Cash- | Company the Following | Cash-Out Price | Percentage of the | | | | | | | | | | | | | | | | | | | | | | |
| | | Out Price From 0% to 5% | Underage | | | | | | | | | | | | | | | | | | | | | | |
| 100% | 100% From 5% to 10% | 80% | 120% From 10% to 15% | | | | | | | | | | | | | | | | | | | | | | |
| 140% | 70% | 130% From 15% to 20% | 60% | | | | | | | | | | | | | | | | | | | | | | |
| Greater than 20% | 50% | 150% | 12.7.2 In the event of an Overage, the Cash Out Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be | | | | | | | | | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 27006

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination of all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY,

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 27006

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012 Terms & Conditions</p> |
| T-72 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book. APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after February 29, 2008 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Capacity Charge @ \$0.065 per MMBtu; plus (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27006

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|--|
| | <p>otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 1 of 2 SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____ Shipper's Physical Business Address: _____ Shipper's Email Billing Address: _____</p> <p>Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____ GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____ Evergreen: Yes or No _____ Period of Evergreen: 1 Year, 2 Years, etc. _____</p> <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____ End-User Facility Information End-User Business Name: _____ End-User Dunn's Number: _____ End-User Physical Service (Business) Address: _____ End-User Facility Contact for Operating Information and Emergency Notices Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____ Delivery Point(s): _____ Receipt Point(s): _____ Quantities: MDQ (in MMBtu/day) _____ Upstream Pipeline Contact for Confirmations Name: _____ Office Telephone: _____ Office Fax: _____ E-Mail Address: _____</p> <p style="text-align: center;">EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____ All Other Notices Marketing Representative: _____ Office Fax: _____ Office Telephone: _____ Business E-Mail Address: _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27006

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>Business Mailing Address: _____</p> <p>NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____ Office</p> <p>Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>All Other Notices Employee Name: _____ Office Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____</p> <p>Applicable Index Adder or WACOG: _____ Applicable</p> <p>Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____</p> <p>Date of Execution by Shipper: _____ Signature of</p> <p>End-User: _____</p> <p>Date of Execution by End-User: _____</p> |

Tnspt Terms T-72 A

CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-72

1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-72

2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s) unless otherwise specified in the Agreement or the Exhibit A. 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 50 Mcf per day but less than 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 27006 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telexcopier number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company appraised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number,</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 27006

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>telecopier number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate Company for any costs imposed upon Company as a result of Shipper's scheduling and nomination deviations or non-compliance with such scheduling and nominating procedures. 6. APPLICATION OF GENERAL TERMS AND CONDITIONS 6.1 Unless otherwise expressly stated, these General Terms apply to all Shippers, except insofar as they are changed by or are in conflict with any statute of the State of Texas, or valid final order of any court or the Railroad Commission of Texas, in which case such statute or order shall control to the extent that it is applicable to the Shipper(s) in question. Whenever possible, these General Terms shall be construed harmoniously with such laws or orders. 6.2 The use of transportation service shall constitute an agreement by the Shipper to utilize such service in accordance with the General Terms set forth herein. 6.3 These General Terms and all subsequently effective General Terms, may be abrogated, modified, or added to in whole or in part by Company and any such change in these General Terms shall become effective when filed with the Railroad Commission of Texas. 7. RECEIPT OF GAS FOR TRANSPORT 7.1 The Shipper must tender the gas for transportation hereunder at the Receipt Point specified in the Transportation Service Agreement at whatever pressure is necessary to effect redeliveries of the gas against the fluctuating working pressures maintained in Company's system at that Receipt 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 by Company. 7.2 Company will be responsible for installing and operating the necessary tap and measurement facilities at each Receipt Point necessary 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 Shipper then, upon Company's request, Shipper shall reimburse Company, or cause Company to be reimbursed, for all costs of construction, installation and/or acquisition of such facilities. 8. WARRANTY OF TITLE 8.1 Shipper shall have title to and shall warrant its title to all gas delivered to Company under the Agreement, and such gas shall be delivered to Company free and clear of all liens, claims and encumbrances. Shipper 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. Shipper 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. 9. UNACCEPTABLE QUANTITIES 9.1 Company shall have the right to refuse to receive at any Receipt Point or to deliver at any Delivery Point any quantity of gas that Company determines, in its reasonable judgment, will adversely affect its ability to deliver gas to human needs or other service sales customers or that exceeds the available capacity of Company's facilities. 10. GAS TRANSPORTED BY COMPANY 10.1 Except as may be otherwise specified elsewhere herein, the gas shall be tendered by Shipper at the Receipt Point at the working pressures maintained from time to time by Company at such point. It is recognized that gas delivered by Company at the Delivery Point may not be the same gas that Company received at the Receipt Point, and that gas delivered at the Delivery Point will meet the quality specifications applicable to gas that Company sells on its system. 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 the Shipper shall notify Company of such deficiency and thereupon may, at Shipper's option, refuse to accept delivery of gas pending correction by Company. 10.2 The point where responsibility for gas shall pass to Shipper after transportation by Company shall be at the outlet of Company's meter at the Delivery Point. Shipper shall provide reasonable access or ensure that reasonable access is provided to the premises at the Delivery Point for any purpose connected with this service. Second Revised T-72 Terms & Conditions Replaces Revised T-72 Effective 06-01-2012</p> <p>Terms & Conditions</p> |

RATE ADJUSTMENT PROVISIONS:
None

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27006

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|-----------------------------------|-------------|------------------|-----------------------|-----------------------|---------------------|
| 149 | D | MMBtu | \$.0000 | 07/01/2014 | N |
| DESCRIPTION: HOUSTON, INC. | | | | | |
| Customer | 34368 | IINFINITE ENERGY | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27108

DESCRIPTION: Distribution Transportation **STATUS:** A
OPERATOR NO:
ORIGINAL CONTRACT DATE: **RECEIVED DATE:** 10/02/2014
INITIAL SERVICE DATE: 09/01/2014 **TERM OF CONTRACT DATE:**
INACTIVE DATE: **AMENDMENT DATE:**
CONTRACT COMMENT: None

REASONS FOR FILING

NEW FILING: Y **RRC DOCKET NO:**
CITY ORDINANCE NO:
AMENDMENT(EXPLAIN): None
OTHER(EXPLAIN): None

CUSTOMERS

| <u>CUSTOMER NO</u> | <u>CUSTOMER NAME</u> | <u>CONFIDENTIAL?</u> | <u>DELIVERY POINT</u> |
|--------------------|----------------------|----------------------|-----------------------|
| 31483 | COKINOS | N | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27108

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| T-69 | <p>AVAILABILITY Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an End-use Customer where natural gas is tendered for delivery to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in areas identified in Company's Texas Rate Book.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) an Exhibit A has been executed after March 31, 2005 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported. DEFINITIONS For definitions of terms contained in this Rate Schedule, see the General Terms and Conditions for Transportation Service (General Terms) contained in Company's Texas Rate Book. NET MONTHLY RATE The Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of: (i) Monthly Service Charge @ \$1,000.00; plus (ii) First 3,000 MMBtu @ \$0.40 per MMBtu; Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (iii) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms. EQUIVALENT QUANTITY OF NATURAL GAS The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station. PAYMENTS TO GOVERNMENTAL AUTHORITIES In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement. OTHER CHARGES Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances. BILLING AND PAYMENT Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month 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. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company. NATURAL GAS ACT Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act, 15 U.S.C. Section 717 et seq. WRITTEN SERVICE AGREEMENT Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, inter alia, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise). MEASUREMENT The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms. GENERAL TERMS AND CONDITIONS Service under the Rate Schedule is furnished in accordance with the Company's General Terms and Conditions for Transportation Service, as amended from time to time.</p> <p style="text-align: right;">EXHIBIT A Page 1 of 2</p> <p>TO TRANSPORTATION SERVICE AGREEMENT SHIPPER INFORMATION Name of Shipper: _____ Shipper's Dunn's Number: _____ Physical Business Address: _____ Shipper's Email Billing Address: _____ Shipper's _____ Note: Bills are rendered via E-mail and are due and payable when E-mail is sent by Company. _____ Shipper's Business Email Address: _____ GENERAL INFORMATION Term of Service Begin Date: _____ End Date: _____ Evergreen: Yes or No _____ Period of Evergreen: 1 Year, 2 Years, etc. _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27108

CURRENT RATE COMPONENT

| RATE COMP. ID | DESCRIPTION |
|---------------|---|
| | <p>Note: Shipper must provide CenterPoint with written notice canceling this Exhibit A a minimum of 30 days prior to the expiration date of this Exhibit A to avoid automatic renewal through the evergreen mechanism. Rate Schedule: _____</p> <p>End-User Facility Information End-User Business Name: _____</p> <p>End-User Dunn's Number: _____</p> <p>End-User Physical Service (Business) Address: _____</p> <p>End-User Facility Contact for Operating Information and Emergency Notices Name: _____</p> <p>Office Telephone: _____</p> <p>Office Fax: _____</p> <p>E-Mail Address: _____</p> <p>Delivery Information Number of Meters Receiving Transportation Service: _____</p> <p>Delivery Point(s): _____</p> <p>Receipt Point(s): _____</p> <p>Quantities: MDQ (in MMBtu/day) _____</p> <p>Upstream Pipeline Contact for Confirmations Name: _____</p> <p>Office Telephone: _____</p> <p>Office Fax: _____</p> <p>E-Mail Address: _____</p> <p>EXHIBIT A TO TRANSPORTATION SERVICE AGREEMENT Page 2 of 2 NOTICES TO SHIPPER</p> <p>Operational Notices Supply Coordinator: _____</p> <p>Office Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>Other Notices Marketing Representative: _____</p> <p>Office Fax: _____</p> <p>Office Telephone: _____</p> <p>Business E-Mail Address: _____</p> <p>Business Mailing Address: _____</p> <p>NOTICES TO END-USER</p> <p>Operational Notices Employee Name: _____</p> <p>Office Telephone: _____</p> <p>Office Fax: _____</p> <p>Business E-Mail Address: _____</p> <p>Business Mailing Address: _____</p> <p>INDEX FOR SHIPPER CASH-OUT</p> <p>CALCULATIONS Applicable Monthly Index: _____</p> <p>Applicable Index Adder or WACOG: _____</p> <p>Applicable Daily Index: _____</p> <p>ACKNOWLEDGEMENTS Signature of Shipper: _____</p> <p>Date of Execution by Shipper: _____</p> <p>Signature of End-User: _____</p> <p>Date of Execution by End-User: _____</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 27108

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| Tnspt Terms T-69 A | <p>CENTERPOINT ENERGY ENTEX GENERAL TERMS AND CONDITIONS FOR TRANSPORTATION SERVICE RATE SCHEDULE T-69</p> <p>1. APPLICABILITY 1.1 These General Terms and Conditions for Transportation Service (General Terms) apply to service requested from or provided by CENTERPOINT ENERGY ENTEX (Company) under the following rate schedule(s): Rate Schedule T-69</p> <p>2. DEFINITIONS 2.1 The term Agreement or Transportation Service Agreement shall mean the written agreement for transportation service between Company and the Shipper. 2.2 The term annual volume limitation or AVL means the maximum MMBtu which the Company shall be obligated to deliver during the service year consisting of twelve consecutive billing periods specified in Agreement. 2.3 The term applicable index shall be the reference price used for computation of imbalance cash outs under Section 12 as specified by Company in the Agreement tendered to Shipper pursuant to Sections 3 and 4 hereof. 2.4 The term Btu shall mean British Thermal Unit. 2.5 The term Business Day means any day except Saturday, Sunday, or Federal Reserve Bank holidays. 2.6 The term Company's applicable weighted average cost of gas shall mean the weighted average cost of gas per unit sold as billed to Company's residential and commercial customers in the same jurisdiction as the Shipper's End-use Customer(s). 2.7 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 14.65 pounds per square inch absolute. 2.8 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 Clock Time, at the point at which delivery of gas is made. 2.9 The term Delivery Point shall mean (a) a single facility of an End-use Consumer situated at only one location or at immediately contiguous locations served by one or more meters downstream of the Receipt Point; (b) where Company has adequate capacity; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 2.10 The term End-use Customer shall mean the person or entity who owns the facilities receiving gas redelivered by Company at the Delivery Point. 2.11 The term Exhibit A shall mean a formal written request by the Shipper to establish or amend transportation service at a specified Delivery Point. The Exhibit A (a) will contain specified information as described in Section 4 herein; (b) will require signed acknowledgement of the Shipper and the End-use Customer; and (c) will be a binding commitment and addendum to the Transportation Service Agreement by and between Shipper and Company. 2.12 The term gas or natural gas shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. 2.13 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. 2.14 The term imbalance shall mean the difference in the MMBtus of natural gas which Shipper takes at the Delivery Point and the MMBtus which Shipper provides for transportation at the Receipt Point, net of Lost and Unaccounted for Gas and Fuel, if any, specified in the Agreement. 2.15 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. 2.16 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 the MDQ. 2.17 The term Mcf shall mean one thousand (1,000) cubic feet of gas. The term MMBtu shall mean one million (1,000,000) Btu's. 2.18 The term month, Service Month, or monthly shall mean the period beginning at 9:00 a.m., Central Clock Time, on the first day of the calendar month and ending on to 9:00 a.m. Central Clock Time, on the first day of the next succeeding calendar month. 2.19 The terms Payments to Governmental Authorities or a Payment to a Governmental Authority, as used herein, means all taxes or fees levied upon and/or paid by Company [other than ad valorem, capital stock, income or excess profit taxes (except as provided herein)], including, but not limited to, municipal franchise fees, and street and alley rental fees set out in franchise ordinances, street crossing agreements, or licenses. Such terms also include any other taxes, fees, or charges levied, assessed, or made by any governmental authority on the revenue received by Company or the volume transported by Company under any Transportation Service Agreement, or the act, right, or privilege of selling, transporting, handling, or delivering Gas. Such taxes or fees may be based upon the quantity, volume, heat content, value, sales price of the Gas, purchase price of the Gas, transportation fee payable under any Transportation Service Agreement, and include any other fee, charge, cost reimbursement, tax reimbursement, or payment under any agreement, including any applicable federal income tax imposed as a result of the reimbursement of the cost of the installation of facilities and equipment at the Delivery Point(s) or Receipt Point(s) under the terms of the applicable Transportation Service Agreement. 2.20 The term Receipt Point shall mean the point or points specified in the Agreement where Company agrees to receive gas for transportation for the account of a Shipper. 2.21 The term Shipper shall mean the person or entity designated as the Shipper in a Transportation Service Agreement executed by Company. 2.22 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.</p> <p>3. APPLICATION FOR SERVICE 3.1 Upon request of Shipper, Company shall offer the requesting Shipper a Transportation Service Agreement in a form acceptable to Company. 3.2 Unless waived by Company, if a Shipper fails to execute and return to Company the Transportation Service Agreement which accurately reflects the Shipper's submitted request for service within ten (10) Business Days after such agreement is tendered by Company for execution, then Shipper's request and the Transportation Service Agreement shall be null and void. In all other circumstances, unless waived by Company, a Shipper's submitted request for service and Transportation Service Agreement shall be null and void if the Shipper fails to execute and return to Company the tendered Transportation Service Agreement within thirty (30) days after such has been tendered to Shipper by Company for execution. 3.3 Execution of a Transportation Service Agreement by Shipper means that Shipper agrees to abide by the terms of the Transportation Service Agreement, the terms of the applicable rate schedule(s), including these General Terms and Conditions as amended from time to time, and any other policies, rules or regulations incorporated into the Transportation Service Agreement either directly or by reference. 3.4 Shipper or potential Shipper must agree to a minimum term of one year under any Transportation Service Agreement. 3.5 Unless waived by Company, Shipper or potential Shipper must agree to bear the supply-related cost/credit shifts or additional costs/credits, if any, directly resulting from the conversion of an End-use Customer from natural gas service with Company to natural gas service with the Shipper or potential Shipper, 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 Shipper upon request. Company shall provide a good faith estimate of such costs/credits based upon representations made by the Shipper as to End-use Customer usage, demand, timing and other factors upon request of the Shipper or potential Shipper. 3.6 Acceptance of a Shipper as an approved Shipper on Company's system is contingent upon a satisfactory credit</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263

COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT

RRC TARIFF NO: 27108

CURRENT RATE COMPONENT

RATE COMP. IDDESCRIPTION

appraisal by Company. 3.6.1 Company shall perform a credit appraisal, if applicable, utilizing the following information which Shipper or potential Shipper shall furnish to Company: 3.6.1.1 A copy of Shipper's most recent audited financial statements; 3.6.1.2 A copy of Shipper's most recent twelve (12) month audited financial statement Annual Report and, if applicable, SEC 10-K form; 3.6.1.3 A list of Shipper's affiliates, including parent and subsidiaries, if applicable; and 3.6.1.4 A bank reference and two trade references. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis. 3.6.2 Shipper must meet the following criteria in order to be deemed satisfactory for purposes of Section 3.6: 3.6.2.1 Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal U.S. Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction. 3.6.2.2 Shipper must not be subject to pending liquidation or judicial proceedings in state or federal courts which would cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity. 3.6.2.3 Shipper must have no significant outstanding collection lawsuits or judgments which would jeopardize Shipper's ability to remain solvent. 3.6.3 If a Shipper or potential Shipper fails to satisfy credit criteria, it may still obtain service hereunder if it provides one of the following to Company: (a) a continuing deposit equal to a minimum of 180 days service at the requested MDQ; (b) a standby irrevocable letter of credit acceptable to Company; or (c) a guarantee by a person or another entity which does satisfy Company's credit criteria. 4. EXHIBIT A - ADDENDUM TO TRANSPORTATION SERVICE AGREEMENT 4.1 A Shipper must be approved by Company and must have executed a valid Transportation Service Agreement prior to submitting an Exhibit A requesting transportation services to a specified Delivery Point. 4.2 All approved Shippers must submit an Exhibit A for each individual End-use Customer pursuant to Section 4 hereof. An Exhibit A requesting initiation of transportation service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least thirty (30) days prior to the anticipated commencement of such transportation service. An Exhibit A requesting changes in or renewal of service to a specified End-use Customer must be executed by the Shipper and the End-use Customer and submitted to Company at least fifteen (15) days prior to the anticipated change in or renewal of such transportation service. Company shall, within ten (10) Business Days after receipt of an Exhibit A, notify the Shipper in writing, or electronically via the Internet, that the Exhibit A has been approved or is deficient. If Company deems the Exhibit A deficient, Shipper shall have the opportunity to resubmit a valid Exhibit A subject to the notification requirements as set for in this Section. 4.3 All approved Shippers must submit an Exhibit A for any of the following: 4.3.1 A request to initiate transportation service at a specified Delivery Point; 4.3.2 A request to increase the MDQ, MHQ or AVL under an existing Exhibit A Addendum to a Transportation Service Agreement; 4.3.3 A request by an existing Shipper to add new or delete existing Receipt Point(s) or Delivery Point(s) under an existing Exhibit A Addendum to a Transportation Service Agreement; or 4.3.4 A request by an existing Shipper to extend or renew an existing Exhibit A Addendum to a Transportation Service Agreement that has expired or will expire and terminate by its own terms. 4.4 An Exhibit A must be in a form acceptable to Company. Such acceptable form will be provided to the Shipper and will contain the following information: 4.4.1 Identity of Shipper - The exact legal name, identification (currently Dunn's) number, mailing and street address and the name, phone number, telex number and e-mail address of person(s) to contact regarding the service requested. If the person or entity requesting service is acting as an agent, then the exact name and address of the agent's principal and written proof of the agency must also be established. If Shipper is represented by an agent and/or asset manager, the exact name of such parties must be provided, and Shipper must keep Company apprised as to changes in the identity of such representatives; 4.4.2 Gas Quantities: 4.4.2.1 The MDQ; 4.4.2.2 The MHQ; and 4.4.2.3 The AVL; 4.4.3 The Receipt Point(s) and Delivery Point(s); 4.4.4 Term of Service - Shipper or potential Shipper must request a minimum term of one year to initiate service or add a new Receipt Point or Delivery Point; 4.4.5 Identity of End-use Customer - the name, mailing and street address and the name, phone number, telex number and e-mail address of person(s) to contact for operational and other notices; 4.4.6 Upstream Pipeline Contact Information for Confirmations 4.4.7 Indexes and Lost and Unaccounted for Gas: 4.4.7.1 Applicable Daily Index; 4.4.7.2 Applicable Alternative Daily Index; 4.4.7.3 Cash-out Index; and 4.4.7.4 Lost and Unaccounted For Gas and Fuel as a Percent of Gas Received at Receipt Point 4.4.8 Certification may be required from an approved Shipper that it has the authority to deliver gas to Company's system for transportation. 4.5 Acceptance of any Exhibit A is contingent upon a satisfactory credit appraisal by Company pursuant to Section 3 hereof. An Exhibit A requesting transportation services above and beyond the service levels contemplated in the initial or any subsequent credit appraisal will be contingent upon updated satisfactory credit appraisals by Company pursuant to Section 3 hereof. 4.6 The approved Shipper must provide a description and the proposed location of any facilities to be constructed or installed by any party affected by the proposed service. 4.7 Company shall promptly notify an approved Shipper if it cannot satisfy an otherwise valid request for transportation service due to inadequate capacity or facilities. 4.8 Company may reject any Exhibit A or limit the term of any Exhibit A requested by an approved Shipper, if Company, in its sole judgment, determines that the transportation service requested would impair the operational integrity of Company's system or adversely affect Company's existing gas purchases, sales or transportation. Company may, but shall not be required to, offer transportation service from alternate Receipt Points or at reduced MDQ, MHQ or AVL. Such alternative shall be put forth in a modified Exhibit A offered by Company to an approved Shipper. 5. SCHEDULING AND NOMINATIONS 5.1 Nominations for gas flow shall be submitted by the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper to Company no later than 10:00 a.m. Central Clock 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 the Shipper 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; (B) higher than the MDQ specified in the Agreement for the applicable Delivery Point; 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 Company, that nomination will remain in effect through the end of the month or until changed by Shipper. Company shall confirm the nominated volume to upstream pipeline transporting Shipper's gas to the Receipt Point. 5.2 Company will require Shipper to comply with the scheduling and nominating procedures as set forth in applicable upstream pipeline transportation tariffs and or contracts, if any. Shipper shall be liable and shall compensate

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 27108

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|---|
| | <p>redeliveries with pressure instrumentation \$75.00 per meter per month 11.3 Shipper or Shipper's designee shall have the right to request termination of service at a specific Delivery Point if the End-use Customer purchasing gas from Shipper at such Delivery Point fails to remit any and all amounts due to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting termination of service at such Delivery Point along with documentation that effectively demonstrates the delinquency. Company shall then terminate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to terminate service at the Delivery Point. In no case shall such charge be less than \$100.00 per service termination. Termination of service to any specific Delivery Point does not relieve Shipper of its contract obligations with Company for such Delivery Point. All standard tariff charges will continue to apply on a monthly basis through the remainder of the contract term whether or not Shipper is having gas delivered to the End-use Customer. 11.4 Shipper or Shipper's designee shall have the right to request reinstatement of service at a specific Delivery Point where service was previously terminated for non-payment by the End-use Customer if the End-use Customer purchasing gas from Shipper at such Delivery Point has remitted payment for any and all past due amounts to Shipper for the purchase of such gas. Shipper shall provide Company with an electronic statement requesting reinstatement of service at such Delivery Point along with documentation that effectively demonstrates the clearing of the delinquency or the institution of a payment plan. Company shall then reinstate service at such Delivery Point as soon as is operationally feasible. Company shall have the right to bill Shipper for all labor, materials and other expense required to reinstate service at the Delivery Point. In no case shall such charge be less than \$100.00 per reinstatement of service. 12. BALANCING 12.1 General Intent: These balancing provisions are in recognition of the fact that Company's upstream gas supply, transportation, storage and no-notice service capacity is reserved for the exclusive use by Company for transactions related to its system supply. 12.2 Shipper shall have a general obligation to: (i) conform its daily takes at Delivery Point(s) with its deliveries to Company at Receipt Point(s) to avoid imbalances, and (ii) when imbalances occur, to correct any such imbalances as soon as practical. 12.3 Company shall make available electronically daily imbalance information which shall notify Shipper of any imbalance under the Agreement in the current Service Month. Imbalance information shall be based on the best data then available to Company, including, but not limited to, nominations, allocations, electronic measurement data, and meter observations. The provision of such information by Company shall not relieve Shipper of its obligations under these General Terms to avoid, correct or eliminate actual imbalances. 12.4 Company shall monitor the accumulation of daily imbalances by Shipper and shall have the right to take corrective action as required, to eliminate Shipper's encroachment upon upstream gas supply, transportation, storage, or no-notice service capacity held by Company for general system supply. 12.5 Daily Imbalances During Critical Period Events 12.5.1 If Shippers' deliveries and takes 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 (i) impair Company's ability to maintain the operational integrity of its distribution system, or (ii) adversely affect Company's cost of gas purchased for resale to its firm service sales customers, then the Company may declare a Critical Period Event. Critical Period Event can be either: (i) an Excess Flow Event (Shipper's (deliveries exceed takes); or (ii) a Deficient Flow Event (Shipper's takes exceed deliveries). Under this Section 12, Operational Flow Orders (OFO's) or Operational Alerts (OA's) of pipelines serving the Company shall be deemed events which impair the Company's ability to maintain the operational integrity of its distribution system; and daily and intra-day price movements of greater than fifty cents (\$0.50) per MMBtu of the Daily Price Index(es) compared to the Monthly Price Index(es) specified in the Agreement shall be deemed to adversely affect Company's cost of gas purchased for resale to its firm service sales customers. 12.5.2 Company shall notify affected Shippers verbally of the Critical Period Event and Shippers shall have a minimum of four (4) hours to bring deliveries and takes 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 Shipper of the Critical Period Event, Shipper has not balanced deliveries and takes, Company shall have the right to balance receipt and deliveries of gas. Company shall not be obligated to deliver a greater volume of gas to the Delivery Point than it received at the Receipt Point for Shipper's account, as indicated by the upstream delivering pipeline, until such time as Company determines that the Critical Period Event no longer exists. An imbalance that occurs following notice of a Critical Period Event 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. 12.5.3 The Critical Period Price shall be the Applicable Daily Index specified in the Agreement or, if the Applicable Daily Index is not published for the day, the Applicable Alternative Daily Index specified in the Agreement. 12.5.4 If, on any day during a Critical Period Event, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are greater than Shipper's gas requirements at the Delivery Point, then Company can purchase such over-delivered volumes at the Receipt Point from the Shipper at the following rates per MMBtu: (i) the first 5% of over-delivered volumes will be cashed out at the Critical Period Price; and (ii) amounts greater than 5% will be cashed out at a rate equal to 50% of the Critical Period Price. 12.5.5 If, on any day during a critical situation, after the expiration of the notice period, the Shipper delivers to Company volumes of gas that are less than the Shipper's gas requirements at the Delivery Point, then Company may require Shipper to purchase such deficiency at the Delivery Point from Company at the following rates per MMBtu. The first 5% of under-delivered volumes will be cashed out at the Critical Period Price. Amounts greater than 5% will be cashed out at a rate equal to 150% of the Critical Period Price for the day in which the deficiency occurred. 12.6 Multi-day Imbalances 12.6.1 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 5% of the projected redeliveries 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 shall be equal to 50% of the Critical Period Price for cash-out purchases by Company from Shipper and 150% of Critical Period Price for cash-out purchases required of Shipper from Company. As a prerequisite to any such intra-month cash-out action, Company shall warn Shipper during the Business Day prior to the day on which the Company projects Shipper will be in violation of the 5% threshold, based on the information available to Company at the time said warning is issued. Once such warning is issued to Shipper 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 Shipper's then cumulative imbalance. 12.6.2 Company shall not be obligated to do the following under any circumstances: (i) deliver more gas to Shipper during any given day or month than it shall have received at the Receipt Point for the account of Shipper during said period; or (ii) to receive at the Receipt Point or deliver at the Delivery Point during any given Day a total quantity of gas in excess of the MDQ. 12.6.3 Shipper will be responsible for its allocable share of any incremental costs associated with Company's upstream transportation, storage, or no-notice services attributable to</p> |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

RRC COID: 6263 **COMPANY NAME:** CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT **RRC TARIFF NO:** 27108

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> | | | | | | | | | | | | | | | | |
|---|--|---|---|---|--|------|---------------------|-----|------------------|-----|-----|----------------------|-----|-----------------------|-----|------|---|
| | <p>nomination and scheduling activities of Shipper, including but not limited to incremental overrun charges, commodity charges, daily demand charges, and penalties. The responsibility provided for herein shall not relieve Shipper of its obligations under these General Terms or the tariffs of Company's upstream service providers to avoid, correct or eliminate nomination or scheduling errors. 12.7 Monthly Imbalances 12.7.1 At the end of each Service Month, remaining Shipper imbalances shall be cashed out. To the extent Shipper owes natural gas volumes to Company (deliveries exceeded volumes received by Company), Shipper will purchase said volumes from Company at the percentage of applicable cash-out price described below. To the extent Company owes natural gas volumes to Shipper (volumes received exceeded volumes delivered by Company), Company will purchase said volumes from Shipper at the applicable percentage of the cash-out price described below.</p> <table border="1"> <thead> <tr> <th data-bbox="284 514 511 619">Imbalance Level Percentage of the the Cash-</th> <th data-bbox="511 514 885 619">The Company Pays Shipper the Company the Following</th> <th data-bbox="885 514 1258 619">Shipper Pays the Cash-Out Price Out Price From 0% to 5%</th> <th data-bbox="1258 514 1502 619">Following Underage Percentage of</th> </tr> </thead> <tbody> <tr> <td data-bbox="284 619 511 640">100%</td> <td data-bbox="511 619 885 640">100% From 5% to 10%</td> <td data-bbox="885 619 1258 640">80%</td> <td data-bbox="1258 619 1502 640">120% From 10% to</td> </tr> <tr> <td data-bbox="284 640 511 661">15%</td> <td data-bbox="511 640 885 661">70%</td> <td data-bbox="885 640 1258 661">130% From 15% to 20%</td> <td data-bbox="1258 640 1502 661">60%</td> </tr> <tr> <td data-bbox="284 661 511 682">140% Greater than 20%</td> <td data-bbox="511 661 885 682">50%</td> <td data-bbox="885 661 1258 682">150%</td> <td data-bbox="1258 661 1502 682">12.7.2 In the event of an Overage, the Cash Out</td> </tr> </tbody> </table> <p>Price shall be the Cash-out Index specified in the Agreement. In the event of an Underage, the Cash Out Price shall be Cash-out Index plus an Adder as specified in the Agreement. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, Adder, Applicable Daily Index or Applicable Alternative Daily Index effective in the Agreement. Any such change will be applied to imbalances prospectively. 12.9 Effect of Reliance on Incomplete or Inaccurate Data. Imbalances caused by Shipper's reliance on imbalance data that differ materially from subsequently corrected data will be assumed to fall into the 0% to 5% range and the Cash Out Price shall be the Cash Out Index specified in the Agreement. 13. BILLING AND PAYMENT 13.1 Company shall invoice Shipper as near to the 15th day of each month (Billing Date) as is operationally feasible for transportation during the preceding month and for any other applicable charges. If the actual quantity delivered is not known by the Billing Date, billing shall be prepared based on the quantity nominated by Shipper or Company's estimate. The invoiced quantity shall then be adjusted to the actual quantity on the following month's billing or as soon thereafter as actual delivery information is available. 13.2 Shipper shall remit the amount due under Section 13.1 no more than five (5) days after receipt of Company's invoice (Payment Date) in immediately available funds. If the Payment Date is not a Business Day, payment is due on the next Business Day following that date. 13.3 If Shipper, in good faith, disputes the amount or any part of such invoice, then Shipper shall pay such amount as it concedes to be correct; provided, however, if Shipper disputes the amount due, it must provide Company with written notice of the basis for the disputed amount and supporting documentation acceptable in natural gas industry practice to support the amount paid and the amount disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section. 13.4 If Shipper fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus one percent (1%) per annum; or (ii) the maximum applicable lawful interest rate. 13.5 Company and Shipper shall have the right, at their own expense, upon reasonable notice at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Agreement. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under payments or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two (2) years after the month of gas delivery. All retroactive adjustments under this Section shall be paid in full by the party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. 14. ASSURANCE OF PERFORMANCE If Company has commercially reasonable grounds for insecurity regarding the performance of any obligation under the Agreement or these General Terms (whether or not then due) by Shipper (including, without limitation, the occurrence of a material change in the creditworthiness of Shipper or its guarantor or credit support provider), Company may demand Adequate Assurance of Performance. Adequate Assurance of Performance means Shipper's provision of Credit Support Obligation(s) or additional Credit Support Obligation(s) in a form, amount and for the term reasonably acceptable to Company. Credit Support Obligation(s) means Shipper's obligation(s) to provide or establish credit support for, or on behalf of, Company such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature acceptable to Company. 15. EVENT OF DEFAULT AND EARLY TERMINATION 15.1 In the event (each an Event of Default) Shipper or its guarantor shall: 15.1.1 Make an assignment or any general arrangement for the benefit of creditors; 15.1.2 file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; 15.1.3 otherwise become bankrupt or insolvent (however evidenced); 15.1.4 be unable to pay its debts as they fall due; 15.1.5 have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; 15.1.6 fail to perform any obligation to the Company with respect to any Credit Support Obligation(s) relating to the Contract; 15.1.7 fail to give Adequate Assurance of Performance under Section 14 within forty-eight (48) hours but at least one Business Day of a written request by Company; 15.1.8 not have paid any amount due the Company hereunder on or before the second Business Day following written notice that such payment is due; or 15.1.9 consolidate or amalgamate with, or merge with or into, or transfer all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting surviving, or transferee entity fails to assume all the obligations of Shipper under the Agreement or these General Terms or the resulting, surviving or transferee entity's credit is materially weaker as determined by the Company acting in good faith and in a commercially reasonable manner; then Company shall have the right, at its sole election and upon written notice, to immediately withhold and/or suspend deliveries or payments and/or to terminate the Agreement in addition to any and all other remedies available hereunder. Company reserves all rights, set-offs, counterclaims, and any defenses to which it may be entitled. 15.2 If an Event of Default has occurred and is continuing, Company shall have the right, by notice to Shipper, to designate a day, no earlier than the day such notice is given and no later than twenty (20) days after such notice is given, as an early termination date (the Early Termination Date) for the termination all of Company's obligations to transport gas under the Agreement (collectively, the Terminated Obligations). On the Early Termination Date, all transportation of natural gas hereunder shall cease. 15.3 As of the Early Termination Date, Company shall determine the following, in good faith and in a</p> | Imbalance Level Percentage of the the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price Out Price From 0% to 5% | Following Underage Percentage of | 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% | 12.7.2 In the event of an Overage, the Cash Out |
| Imbalance Level Percentage of the the Cash- | The Company Pays Shipper the Company the Following | Shipper Pays the Cash-Out Price Out Price From 0% to 5% | Following Underage Percentage of | | | | | | | | | | | | | | |
| 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% | 12.7.2 In the event of an Overage, the Cash Out | | | | | | | | | | | | | | |

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

| | |
|-----------------------|---|
| RRC COID: 6263 | COMPANY NAME: CENTERPOINT ENERGY ENTEX |
|-----------------------|---|

| | |
|------------------------|-----------------------------|
| TARIFF CODE: DT | RRC TARIFF NO: 27108 |
|------------------------|-----------------------------|

CURRENT RATE COMPONENT

| <u>RATE COMP. ID</u> | <u>DESCRIPTION</u> |
|----------------------|--|
| | <p>commercially reasonable manner: (A) the amount owed (whether or not then due) for all gas transported by Company under Terminated Obligations on and before the Early Termination Date and all other applicable charges relating to such transportation, including but not limited to amounts due Company under to Section 12 hereof. 15.4 As soon as practicable, Company shall invoice Shipper for the amounts due to Company under this Section 15. Shipper shall pay the invoice amount by the close of business on the second Business Day following such the date of the invoice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the invoice shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under Money Rates by The Wall Street Journal, plus two percent (2%) per annum, or (ii) the maximum applicable lawful interest rate. 16. LIMITATIONS OF LIABILITY AND FORCE MAJEURE 16.1 Limitations of Liability 16.1.1 Full or partial interruption of gas deliveries during the term of this Contract due to acts of God, the elements, requirements for residential and other uses declared superior to Shipper's use by law, order, rule or regulation (Law), damage to Company's pipes or equipment or to other causes or contingencies beyond the control of Company shall not be cause for termination of the Agreement or the basis for any claims. Delivery and receipt of gas under the Agreement shall be resumed whenever any such cause or contingency ends. 16.1.2 FOR BREACH OF ANY PROVISION OR EVENT OF DEFAULT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER SUCH AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS INCURRED. 16.1.3 EXCEPT AS OTHERWISE PROVIDED UNDER THE AGREEMENT, APPLICABLE RATE SCHEDULE OR THESE GENERAL TERMS, SHIPPER EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY, AND SAVE COMPANY, ITS OFFICERS, DIRECTORS, AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL LOSS, DESTRUCTION, OR DAMAGE TO PROPERTY (INCLUDING BUT NOT LIMITED TO PROPERTY OF COMPANY, SHIPPER, OR ANY THIRD PARTY) AND ANY AND ALL CLAIMS, DEMANDS, AND COURSES OF ACTION OF EVERY KIND AND CHARACTER, WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES OR THE NEGLIGENCE OF ANY PARTY OR PARTIES, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE GAS OR THE TRANSPORTATION OF GAS UNDER THE TRANSPORTATION SERVICE AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS AND EMPLOYEES. SHIPPER SHALL ON COMPANY'S REQUEST, DEFEND ANY SUIT ASSERTING A CLAIM COVERED BY THIS INDEMNITY. SHIPPER SHALL PAY ALL COSTS THAT MAY BE INCURRED BY COMPANY IN ENFORCING THIS INDEMNITY, INCLUDING ALL REASONABLE ATTORNEY'S FEES. 16.2 Force Majeure 16.2.1 Suspension of Performance. In the event either party is rendered unable, wholly or in part, by an event of force majeure to carry out its obligations under any Transportation Service Agreement, except the obligation to pay monies due under such Agreement, on such party's giving notice and reasonably full particulars of such event of force majeure, in writing or by fax, to the other party within a reasonable time after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such event of force majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. 16.2.2 Definition of Force Majeure. The term force majeure as used herein, means acts of God; strikes, lockouts, or other industrial disturbances; acts of terrorism, acts of the public enemy, wars, blockades, insurrections, civil disturbances, riots, and epidemics; landslides, lightning, earthquakes, fires, storms, tornadoes, hurricanes, floods, and washouts; arrests, orders, directives, restraints, and requirements of the government and governmental agencies, either federal or state, civil or military; any application of governmental conservation or curtailment rules and regulations; explosions, breakage, or accident to machinery or lines of pipe; shutdowns of lines of pipe for inspection, maintenance, or repair; freezing of lines of pipe; and any other causes, whether of the kind enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts will be entirely within the discretion of the party having the difficulty, and the above referenced reasonable dispatch will not require the settlement of strikes or lockouts by acceding to the demand of the opposing party when such course is, or is deemed to be, inadvisable or inappropriate in the discretion of the party having the difficulty. 16.2.3 Balancing Obligations Remain. Notwithstanding the foregoing, an event of force majeure will in no way terminate Shipper's obligation to balance quantities of gas under the applicable Agreement or make payment for quantities delivered prior to such event of force majeure. Second Revised T-69 Terms & Conditions Replaces Revised T-69 Effective 06-01-2012 Terms & Conditions</p> |

| |
|------------------------------------|
| RATE ADJUSTMENT PROVISIONS: |
| None |

RRC COID: 6263 COMPANY NAME: CENTERPOINT ENERGY ENTEX

TARIFF CODE: DT RRC TARIFF NO: 27108

DELIVERY POINTS

| <u>ID</u> | <u>TYPE</u> | <u>UNIT</u> | <u>CURRENT CHARGE</u> | <u>EFFECTIVE DATE</u> | <u>CONFIDENTIAL</u> |
|--------------------------------------|-------------|-------------|-----------------------|-----------------------|---------------------|
| 352 | D | MMBtu | \$.0000 | 09/01/2014 | N |
| DESCRIPTION: TEXAS CITY, INC. | | | | | |
| Customer | 31483 | COKINOS | | | |

TYPE SERVICE PROVIDED

| <u>TYPE OF SERVICE</u> | <u>SERVICE DESCRIPTION</u> | <u>OTHER TYPE DESCRIPTION</u> |
|------------------------|----------------------------|-------------------------------|
| H | Transportation | |

TUC APPLICABILITY

FACTS SUPPORTING SECTION 104.003(b) APPLICABILITY

Competition does or did exist either with another gas utility, another supplier of natural gas, or a supplier of an alternative form of energy.

I affirm that a true and correct copy of this tariff has been sent to the customer involved in this transaction.