



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DS      **RRC TARIFF NO:** 529

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
1851	<p><b>AVAILABILITY</b> This interruptible natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in the City of Alvin, Brazoria County, Texas, where Company can arrange for the purchase and transportation of an interruptible gas supply for a specific customer on terms and conditions satisfactory to the Company. <b>APPLICATION</b> This interruptible natural gas rate schedule is applicable to any new or existing large volume contract customer (hereinafter called Consumer or Consumers) of Company executing a contract or an amendment to a contract prior to August 1, 1990, and using, based on Company's estimate, in excess of 100 Mcf of natural gas on an average day for gas used in connection with college facilities. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery or at one plant location and shall not be resold or shared with others. <b>NET MONTHLY RATE I.</b> (a) During the period April 1 through October 31, the Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) \$2.2152 per MMBtu; plus (ii) the purchased gas adjustment, as defined in this Rate Schedule; plus (iii) applicable taxes, as defined in this Rate Schedule. (b) During the period November 1 through March 31, the Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) \$2.3318 per MMBtu, plus (ii) the purchased gas adjustment, as defined in this Rate Schedule; plus (iii) applicable taxes, as defined in this Rate Schedule. <b>II.</b> On the first day of a billing period immediately after one hundred eighty thousand (180,000) MMBtu have been cumulatively sold and delivered by Company to Consumer, then: (a) During the period April 1 through October 31, the Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) \$2.1152 per MMBtu; plus (ii) the purchased gas adjustment, as defined in this Rate Schedule; plus (iii) applicable taxes, as defined in this Rate Schedule. (b) During the period November 1 through March 31, the Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) \$2.2318 per MMBtu, plus (ii) the purchased gas adjustment, as defined in this Rate Schedule; plus (iii) applicable taxes, as defined in this Rate Schedule. <b>PURCHASED GAS ADJUSTMENT PROVISION</b> (a) During the period April 1 through October 31, the Net Monthly Rate provided for in this Rate Schedule is predicated upon the price of gas paid by Company to Panhandle Gas Company during March, 1990, for resale to large volume interruptible natural gas Consumers. To the extent that Company's cost of gas to be purchased (adjusted to correct any prior variations from actual costs) for resale hereunder increases or decreases from such price of gas during March, 1990, said Net Monthly Rate shall be adjusted upward or downward to reflect changes in such cost of gas per unit sold; plus (i) any and all applicable costs per unit sold for transportation services (including exchanges, backhaul, displacement or other methods of transportation) with respect to the gas delivered under this Rate Schedule; and (ii) changes in gross receipts taxes resulting from any such increases or decreases in the Net Monthly Rate. (b) During the period November 1 through March 31, the Net Monthly Rate provided for in this Rate Schedule is predicated upon the price of gas paid by Company to Panhandle Gas Company during March, 1990, for resale to large volume firm natural gas Consumers. To the extent that Company's cost of gas to be purchased (adjusted to correct any prior variations from actual costs) for resale hereunder increases or decreases from such price of gas during March, 1990, said Net Monthly Rate shall be adjusted upward or downward to reflect changes in such cost of gas per unit sold; plus (i) any and all applicable costs per unit sold for transportation services (including exchanges, backhaul, displacement or other methods of transportation) with respect to the gas delivered under this Rate Schedule; and (ii) changes in gross receipts taxes resulting from any such increases or decreases in the Net Monthly Rate. <b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after July 1, 1990, which is assessed or levied against the Company or directly affects the Company cost of operation or is added to or made a part of the cost of gas purchased by the Company. <b>WRITTEN CONTRACTS</b> In order to receive a delivery of gas from Company hereunder, a Consumer must be a party to a Complementary Gas Sales Contract with the Company for the purchase and sale of interruptible transportation gas. This Complementary Gas Sales Contract must be in a form and on terms and conditions acceptable to Company. <b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the gas delivered and for all other purposes is the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The term Mcf shall mean 1,000 cubic feet of gas. Assumed Atmospheric Pressure - The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. Positive Displacement Meters and Turbine Meters - When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such option, corrections shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (i) When the flowing temperature of gas is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the gas was measured. (ii) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the gas was measured. <b>GROSS HEATING VALUE</b> The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of gas at sixty (60) degrees Fahrenheit saturated with water vapor, with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this Rate Schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this Rate Schedule. Company shall, at its sole cost, risk, and expense, install or cause to be installed suitable gas measurement equipment at a location to be selected by the Company and shall install a continuous gas sampling device to obtain a monthly gas</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DS                      RRC TARIFF NO: 529**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-2	<p>sample to be used in determining the quantities of Btus. The gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to the Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by the First City Texas - Houston Bank, plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. <b>INTERRUPTIBLE SUPPLY</b> Under this natural gas rate schedule during the period April 1 through October 31, Company may sell and deliver to a Consumer such gas as Company may have available, in its sole judgment, from time to time and, if available, a Consumer may purchase such quantities of natural gas. Both Company and Consumer acknowledge the interruptible nature of the gas supply used for service hereunder during the period April 1 through October 31. Company shall not be liable in damages or otherwise for any interruptions of service or services hereunder. <b>RULES AND REGULATIONS</b> Service under this interruptible natural gas Rate Schedule shall be furnished in accordance with the written contract contemplated hereby and the Company's General Rules and Regulations, as such rules may be amended from time to time, which shall be on file and available for inspection at the Company's office.</p> <p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2007 Pipeline Safety Fee is a one-time customer charge per bill of \$0.43, based on \$0.37 per service line. Collected from May 1, 2007 to May 30, 2007.</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>
5	D	MMBtu	\$8.3700	01/03/2007	N
<b>DESCRIPTION:</b> ALVIN, INC.					
<b>Customer</b>	55	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS      **RRC TARIFF NO:** 555

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
1634	<p><b>AVAILABILITY</b> This schedule is available at points of adequate capacity and suitable pressure in the City of Henderson, Rusk County, Texas, where CENTERPOINT ENERGY ENTEX (hereinafter called Company) is able to arrange for the purchase and transportation of an interruptible gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This schedule is applicable to any existing customer using, based on Company's estimate, in excess of 100 Mcf per day on an annual daily average basis (hereinafter called Consumer) for all uses of gas except standby service and the operation of household appliances in living quarters of single or multiple facilities. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery and shall not be resold or shared with others. <b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) Company's weighted average acquisition cost, as defined in this rate schedule; plus (ii) applicable transportation costs, as defined in this rate schedule; plus (iii) applicable taxes, as defined in this rate schedule; plus (iv) fifty-eight cents (\$0.58). <b>DEFINED TERMS</b> (1) The term Company's weighted average acquisition cost shall mean, for a billing period, the Company's actual weighted average cost of gas per unit sold, available from time to time, where such gas is purchased for resale to the specific Consumer. (2) The term applicable transportation costs shall mean, for a month, the Company's actual cost per Mcf for transportation services for the interruptible transportation gas delivered under this rate schedule to the specific Consumer, which cost shall include applicable costs, if any, for fuel use, line loss and shrinkage. (3) The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after April 1, 1983, which is assessed or levied against the Company or directly affects the Company's cost of operation or is added to or made a part of the cost of gas purchased by the Company, and (iii) any increase in taxes paid to any governmental authority that results from a change in Company's weighted average acquisition cost or applicable transportation cost. <b>WRITTEN CONTRACTS</b> In order to receive a delivery of gas from Company hereunder, a Complementary Gas Sales Contract for the purchase and sale of interruptible transportation gas, which may be available from time to time for delivery to said Consumer, is required. <b>MEASUREMENT</b> The term cubic foot of gas for the purpose of measurement of the gas delivered and for all other purposes is the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The term Mcf shall mean one thousand (1,000) cubic feet of natural gas. <b>Assumed Atmospheric Pressure</b> - The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. <b>Orifice Meters</b> - When orifice meters are used for the measurement of gas, such orifice meters shall be constructed and installed, and the computations of volume made, in accordance with the provisions of Gas Measurement Committee Report No. 3 of the American Gas Association as revised September, 1969, with any subsequent amendments or revisions which may be mutually acceptable. The temperature of the gas shall be determined by a recording thermometer so installed that it may record temperature of gas flowing through the meter or meters. The average of the record to the nearest one (1) degree Fahrenheit, obtained while gas is being delivered, shall be the applicable flowing gas temperature of the period under consideration. The specific gravity of the gas shall be determined by a recording gravitometer owned and operated by the Company installed so that it may record the specific gravity of the gas flowing through the meter or meters; provided, however, if no such gravitometer is so installed, then the results of spot tests made by the Company with a standard type specific gravity instrument shall be used at such locations. If the recording gravitometer is used, the average of the record to the nearest one-thousandth (0.001), obtained while natural gas is being delivered, shall be the applicable specific gravity of the gas for the period under consideration. If the spot test method is used, the specific gravity of the gas delivered hereunder shall be determined once monthly, the result obtained, to the nearest one-thousandth (0.001), to be applicable during the succeeding billing month. Adjustment for the effect of supercompressibility shall be made according to the provisions of A.G.A. Report No. 3, hereinabove identified, for the average conditions of pressure, flowing temperature and specific gravity at which the gas was measured during the period under consideration and with the proportionate value of each, carbon dioxide and nitrogen in the gas delivered included in the computation of the applicable supercompressibility factors. Company shall obtain appropriate carbon dioxide and nitrogen fraction value as may be required from time to time. <b>Positive Displacement Meters and Turbine Meters</b> - When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such option, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volumes of gas determined shall be adjusted for the effect of supercompressibility as follows: (i) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the American Gas Association Measurement Committee Report No. 3, hereinabove identified, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the gas was measured. <b>MEASUREMENT cont'd.</b> (ii) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the American Gas Association Measurement Committee Report No. 3, hereinabove identified, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the gas was measured. <b>HEATING VALUE</b> The term heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of gas at sixty (60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this rate schedule and shall be adjusted from a saturated basis to the average moisture content of the gas actually delivered hereunder. The term MMBtu shall mean 1,000,000 British thermal units. Company shall, at its sole cost, risk, and expense, install or cause to be installed suitable gas measurement equipment at a location to be selected by the Company complete with a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus of the gas being delivered to the Consumer hereunder. The gas sample shall be analyzed, at Company's expense, by an independent laboratory on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>INTERRUPTIBLE SUPPLY</b> Under this rate schedule, Company may</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DS                      RRC TARIFF NO: 555**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	sell and deliver to Consumer such gas as Company may have available, in its sole judgement, from time to time and, if available, a Consumer may purchase such quantities of natural gas as such Consumer may desire, from time to time. Company assumes no obligation to sell and deliver any gas under this rate schedule and Consumer assumes no obligation to receive any gas under this rate schedule. <b>RULES AND REGULATIONS</b> Service under this rate schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time, which shall be on file and available for inspection at the Company's office.

**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>
140	D	MMBtu	\$5.6159	09/03/2003	N

**DESCRIPTION:** HENDERSON, INC.

<b>Customer</b>	84	**CONFIDENTIAL**
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**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS                      **RRC TARIFF NO:** 591

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
2107	<p><b>AVAILABILITY</b> This interruptible natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in the City of Lufkin, Angelina County, Texas, where Company can arrange for the purchase and transportation of an interruptible gas supply for a specific customer on terms and conditions satisfactory to the Company. <b>APPLICATION</b> This interruptible natural gas rate schedule is applicable to any new or existing large volume contract customer (hereinafter called Consumer or Consumers) of Company executing a contract or an amendment to a contract prior to October 31, 1996 and using, based on Company's estimate, in excess of 100 Mcf of natural gas on an average day used in a hospital or medical center. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery or at one plant location and shall not be resold or shared with others. <b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of: (i) First 3,000 MMBtu @ \$2.52 per MMBtu Over 3,000 MMBtu @ \$2.42 per MMBtu; plus (ii) the purchased gas adjustment, as defined in this rate schedule; plus (iii) applicable taxes, as defined in this rate schedule. <b>PURCHASED GAS ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this Rate Schedule is predicated upon the price of gas paid by Company during September, 1989 to Company's supplier or suppliers of natural gas for large volume interruptible natural gas service in the City of Lufkin, Angelina County, Texas. To the extent that Company's cost of gas to be purchased (adjusted to correct any prior variations from actual costs) for resale hereunder increases or decreases from such price of gas during September, 1989, said Net Monthly Rate shall be adjusted upward or downward to reflect (i) changes in the cost of gas per unit sold; (ii) any and all applicable costs per unit sold for transportation services (including exchanges, backhauls, displacement or other methods of transportation) with respect to the gas delivered under this rate schedule; and (iii) changes in gross receipts taxes resulting from such increases or decreases in said Net Monthly Rate. <b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) Consumer's proportionate part of all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after September 1, 1989 which is assessed or levied against the Company or directly affects the Company cost of operation or is added to or made a part of the cost of gas purchased by the Company. <b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$500.00 plus applicable taxes. <b>WRITTEN CONTRACTS</b> In order to receive a delivery of gas from Company hereunder, a Consumer must be a party to a Complementary Gas Sales Contract with the Company for the purchase and sale of interruptible natural gas. This Complementary Gas Sales Contract must be in a form and on terms and conditions acceptable to Company. <b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such option, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (i) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the gas was measured. (ii) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the gas was measured. <b>GROSS HEATING VALUE</b> The term Btu means one (1) British thermal unit. The term MMBtu means one million (1,000,000) British thermal units. <b>GROSS HEATING VALUE cont'd.</b> The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of gas at sixty (60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this rate schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this rate schedule. Company shall, at its sole cost, risk, and expense, install or cause to be installed suitable gas measurement equipment at a location to be selected by the Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus or (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas for Btu content at an appropriate point. If Company's sample is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to the Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered in accordance with this rate schedule to Consumer at Consumer's business address and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Citibank, N. A., plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. <b>INTERRUPTIBLE SUPPLY</b> Under this interruptible natural gas rate schedule, Company may sell and deliver to a Consumer such gas as Company may have available, in its sole judgment, from time to time and, if available, a Consumer may purchase such quantities of natural gas as such Consumer may desire, from time to time. Both Company and Consumer acknowledge the interruptible nature of the gas supply used for service under</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DS                      RRC TARIFF NO: 591**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	this rate schedule. Company assumes no obligation to sell and deliver any gas under this rate schedule, and Consumer assumes no obligation to purchase any gas under this rate schedule. Company shall not be liable in damages or otherwise for any interruptions of service or services hereunder. <b>RULES AND REGULATIONS</b> Service under this interruptible natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and the Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at the Company's office.

**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>
215	D	MMBtu	\$5.1779	11/03/2003	N
<b>DESCRIPTION:</b> LUFKIN, INC.					
<b>Customer</b>	125	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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: DS                      RRC TARIFF NO: 649**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
2854	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Seller) in the City of Houston, Texas, where Seller can arrange for the purchase and transportation of a gas supply for a class of municipally operated facilities on terms and conditions satisfactory to the Seller.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to a class of municipally-operated facilities (hereinafter called Buyer) within the corporate limits of the City of Houston that are listed in the written contract contemplated hereby and which will use, based on Seller's estimate, in excess of 500 Mcf per day in a municipally-operated service facility and 3,000 Mcf per day for the class of municipally-operated facilities. Gas supplied hereunder is for the individual use of each of Buyer's facilities at one point of delivery and shall not be resold or shared with others.    <b>NET MONTHLY RATE</b> For the period beginning July 1, 2009 through June 30, 2010, the Net Monthly Rate per MMBtu for all natural gas sold and delivered by Seller to Buyer hereunder during a billing period shall be the sum of: (I) First 70,000 MMBtu @ \$6.090 per MMBtu;    Over 70,000 MMBtu @ \$0.650 per MMBtu; plus the index posting per MMBtu for Market Center Spot Gas Prices, East Texas/Houston Ship Channel as reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the billing period in                      which natural gas is delivered by Seller to Buyer; plus (ii) applicable taxes, as referenced in this rate schedule.    <b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes including applicable sales and use taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Seller and applicable to a Buyer; (ii) Buyer's proportionate part of any new, subsequently applicable or increased rate of any existing, tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result or any new or amended law or ordinance enacted after January 1, 2004, which is assessed or levied against the Seller or directly affects the Seller's cost of operation or is added to or made a part of the cost of gas purchased by the Seller; and (iii) any increase in the taxes paid to any governmental authority that results from a change in Buyer's Net Monthly Rate.    <b>MINIMUM BILL</b> During any billing period, Seller shall render to Buyer a bill for an amount not less than \$10,000.00 plus applicable taxes for each municipally-operated facility.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive a delivery of gas from Seller hereunder, a Buyer must be a party to a Gas Sales Contract with the Seller for the purchase and sale of natural gas. This contract must be in a form and on terms and conditions acceptable to Seller.    <b>MEASUREMENT</b> The measurement of all gas sold and delivered by Seller to Buyer hereunder shall be in accordance with the provisions of the written contract contemplated hereby.    <b>GROSS HEATING VALUE</b> The gross heating value of all gas sold and delivered by Seller to Buyer hereunder shall be in accordance with the provisions of the written contract contemplated hereby.</p> <p><b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company at Company's office on the date which is within thirty (30) days following Consumer's receipt of such bill. If Consumer fails to pay any amount due when the same is due, interest thereon shall accrue at a rate equal to the daily rate equivalent of the then current prime rate as announced from time to time by Bank of America-Dallas, N.A., plus 1% per annum from the date when such amount is due until the same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer. If such failure to pay continues for 60 days, Company may, upon receipt of appropriate governmental authority, if any is required, suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. Within sixty (60) days of the termination of deliveries by Company to Consumer under the written contract contemplated hereinabove, Company shall render to Consumer and Consumer shall pay in full a final bill that shall include but not be limited to: (i) an amount to correct for any prior variations, if any, between: (a) the estimated and actual costs of gas; (b) the estimated and actual costs for transportation services (including exchanges, backhauls, displacement or other methods of transportation), if any; (ii) an amount to correct for any volume variations, if any, between the deliveries billed by Company to Consumer and the deliveries actually received by Consumer, and (iii) an amount to correct for any prior variations, if any, between Consumer's proportionate part of estimated gross receipts taxes payable by Company and Consumer's proportionate part of actual gross receipts taxes payable by Company. This final bill is due and payable to Company on the date which is within thirty (30) days following Consumer's receipt of such final bill. To the extent that the calculation of the final bill due to the amounts referred to in clauses (i), (ii), and (iii), above, results in a credit balance owed to Consumer, then Company shall deliver to Consumer a check for such credit balance.    <b>RULES AND REGULATIONS</b> Service under this rate schedule shall be furnished in accordance with the provisions of the written contract contemplated hereby and Seller's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Seller's office.</p>
PSIF-4	<p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</p>

**RATE ADJUSTMENT PROVISIONS:**  
None

<b>DELIVERY POINTS</b>					
<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
149	D	MMBtu	\$7.7200	01/03/2007	N
<b>DESCRIPTION:</b> HOUSTON, INC.					
<b>Customer</b>	271	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DS                      RRC TARIFF NO: 649**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS                      **RRC TARIFF NO:** 661

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
AC-401	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in Harris County, Texas, where Company can arrange for the purchase and transportation of a gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to any new or existing large volume customer (hereinafter called Consumer or Consumers) of Company who executes a contract or an amendment to a contract after June 1, 1993 and who uses in excess of 2,400 Mcf on an annual basis to fuel Air Conditioning Equipment, as such term is defined in this rate schedule. Consumer shall be required, based on Company's estimate, to use at least 50% of the natural gas Consumer purchases under this rate schedule for cooling. This rate schedule shall only apply to gas used in Air Conditioning Equipment installed on or after July 1, 1993 and shall not apply to gas sold by Company to Consumer for other purposes. Gas supplied hereunder is for the individual use of Consumer at one point of delivery and shall not be resold or shared with others.</p> <p><b>DEFINED TERMS</b> (1) The term Air Conditioning Equipment shall mean any equipment used for the purposes of providing air conditioning. Such equipment can include but not be limited to direct and indirect fired chiller/heater units, engine-driven and turbine-driven chillers, and any other equipment Company considers acceptable in accordance with this rate schedule. (2) The term Air Conditioning shall mean the process of heating, cooling, humidifying, filtering, drying, deodorizing, or otherwise treating air in a room or building to maintain a specified temperature and/or relative humidity and/or to remove impurities. (3) The term Service Year shall mean the period November of the current calendar year through October of the calendar year immediately following the current calendar year. (4) The term Heating Season shall mean the period November through April of the Service Year. (5) The term Cooling Season shall mean the period May through October of the Service Year.</p> <p><b>METERING REQUIREMENTS</b> Company shall have installed, in accordance with the provisions of the written contract contemplated hereby, a separate meter or meters to measure natural gas used by Consumer for Air Conditioning. <b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) three dollars and twenty-three cents (\$3.23) per MMBtu; plus (ii) the rate adjustment, as defined in this rate schedule; plus (iii) applicable taxes, as defined in this rate schedule. If Company determines at the conclusion of a Service Year that Consumer's natural gas usage during the Heating Season of such Service Year exceeds Consumer's natural gas usage during the Cooling Season of same such Service Year, and Company does not estimate that Consumer shall use at least 50% of its natural gas during the Cooling Season of the next Service Year, Company shall move Consumer to the most appropriate natural gas service rate schedule available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move.</p> <p><b>RATE ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this rate schedule is predicated upon the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report. To the extent that the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the month in which gas is delivered by Company to Consumer hereunder increases or decreases from such index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report, said Net Monthly Rate shall be adjusted upward or downward to reflect changes and in such index posting per MMBtu. If the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in Inside F.E.R.C.'s Gas Market Report is omitted from publication during any billing month, then the index posting for that billing month shall be computed as the simple average of the high and low postings per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas, Small Packages (less than 3,500 Mcf/day) as reported in the Inside F.E.R.C.'s Gas Market Report publication in which such index posting for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) was omitted plus three cents (\$0.03) per MMBtu.</p> <p><b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after February 5, 1988, which is assessed or levied against the Company or directly affects Company's cost of operation or is added to or made a part of the cost of gas purchased by the Company.</p> <p><b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$100.00 plus applicable taxes.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive delivery of natural gas from Company hereunder, Consumer must execute a written Gas Sales Contract with Company for the purchase and sale of natural gas. This Gas Sales Contract must be in a form and on terms and conditions acceptable to Company.</p> <p><b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such options, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (1) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors of Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the gas was measured. (2) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the gas was measured.</p> <p><b>GROSS HEATING VALUE</b> The term Btu means one (1) British Thermal unit. The term MMBtu means one million (1,000,000) British thermal units. The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of gas at sixty</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DS      **RRC TARIFF NO:** 661

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this Rate Schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this Rate Schedule. Company shall, in accordance with the provisions of the written contract contemplated hereinabove, install or caused to be installed suitable gas measurement equipment at a location to be selected by Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus or (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas or Btu content at an appropriate point. If Company's sample is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Citibank, N. A., plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. <b>RULES AND REGULATIONS</b> Service under this natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office. <b>AVAILABILITY &amp; APPLICATION</b> This rider is available to any new or existing large volume customer (hereinafter called Consumer or Consumers) of CENTERPOINT ENERGY ENTEX (hereinafter called Company) who executes a gas sales contract or an amendment to a gas sales contract for service under Rate Schedule AC-401 after June 1, 1993. In order for Consumer to qualify for this rider, the aforementioned gas sales contract must have a minimum term of five (5) years from the date service is initiated under Rate Schedule AC-401. <b>NET MONTHLY RATE</b> Under this rider, in lieu of the Net Monthly Rate for Air Conditioning as detailed in Rate Schedule 401, the Net Monthly Rate for Air Conditioning shall be the sum of (i) two dollars and sixty-three cents (\$2.63) per MMBtu; plus (ii) the rate adjustment, as defined in Rate Schedule AC-401; plus (iii) applicable taxes, as defined in Rate Schedule AC-401. This Net Monthly Rate for Air Conditioning shall be effective for a period of thirty-six months from the date natural gas service is initiated under Rate Schedule AC-401. Upon the expiration of such thirty-six month period of service, the Net Monthly Rate for Air Conditioning shall be as specified in Rate Schedule AC-401. <b>RULES AND REGULATIONS</b> Service under this rider to Rate Schedule AC-401 shall be furnished in accordance with the written contract contemplated under Rate Schedule AC-401 and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p>
PSIF-4	<p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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	\$8.3700	01/03/2007	N
<b>DESCRIPTION:</b> HOUSTON, INC.					

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DS	<b>RRC TARIFF NO:</b> 668
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
2698	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Seller) in the City of Houston, Texas, and surrounding areas where Seller can arrange for the purchase and transportation of a gas supply for a class of municipally operated facilities on terms and conditions satisfactory to the Seller. <b>APPLICATION</b> This natural gas rate schedule is applicable to a class of municipally-operated facilities (hereinafter called Buyer) within the corporate limits of the City of Houston that are listed in the written contract contemplated hereby and which will use in the aggregate, based on Seller's estimate, in excess of 750 Mcf per day. Gas supplied hereunder is for the individual use of each of Buyer's facilities at one point of delivery and shall not be resold or shared with others. <b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Seller to Buyer at each separate point of delivery for each of Buyer's facilities hereunder during any billing period shall be the sum of: (i) \$20.00 for each point of delivery, plus \$2.4687 per MMBtu; plus (ii) the rate adjustment; plus (iii) applicable taxes, as referenced in this rate schedule. <b>RATE ADJUSTMENT PROVISION</b> The term rate adjustment shall mean, for a billing period, the sum of the index posting per MMBtu for Market Center Spot Gas Prices, East Texas/Houston Ship Channel as reported in the first publication each month of Inside F.E.R.C.'s Gas Market Report less the simple average of the high and low index postings for Delivered Spot-Gas Prices to Houston Ship Channel/Beaumont, TX., Small Packages (less than 3,500 Mcf/day) as published on March 3, 1989 in Inside F.E.R.C.'s Gas Market Report. <b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes including applicable sales and use taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Seller and applicable to a Buyer; (ii) Buyer's proportionate part of any new, subsequently applicable or increased rate of any existing, tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after January 1, 2004, which is assessed or levied against the Seller or directly affects the Seller's cost of operation or is added to or made a part of the cost of gas purchased by the Seller; and (iii) any increase in the taxes paid to any governmental authority that results from a change in Buyer's Net Monthly Rate. <b>WRITTEN CONTRACTS</b> In order to receive a delivery of gas from Seller hereunder, a Buyer must be a party to a Gas Sales Contract with the Seller for the purchase and sale of natural gas. This contract must be in a form and on terms and conditions acceptable to Seller. <b>MEASUREMENT</b> The measurement of all gas sold and delivered by Seller to Buyer hereunder shall be in accordance with the provisions of the written contract contemplated hereby. <b>GROSS HEATING VALUE</b> The gross heating value of all gas sold and delivered by Seller to Buyer hereunder shall be in accordance with the provisions of the written contract contemplated hereby. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Buyer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Buyer at Buyer's business address and are due and payable to Seller at Seller's office on the date which is within thirty (30) days following Buyer's receipt of such bill. If Buyer fails to pay any amount due when the same is due, interest thereon shall accrue at a rate equal to the daily rate equivalent of the then current prime rate as announced from time to time by Citibank, N.A., plus 1% per annum from the date when such amount is due until the same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Buyer. If such failure to pay continues for 60 days, Seller may, upon receipt of appropriate governmental authority, if any is required, suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Seller. Within sixty (60) days of the termination of deliveries by Seller to Buyer under the written contract contemplated hereinabove, Seller shall render to Buyer and Buyer shall pay in full a final bill that shall include but not be limited to: (i) an amount to correct for any prior variations, if any, between: (a) the estimated and actual costs of gas; (b) the estimated and actual costs for transportation services (including exchanges, backhauls, displacement or other methods of transportation), if any; (ii) an amount to correct for any volume variations, if any, between the deliveries billed by Seller to Buyer and the deliveries actually received by Buyer, and (iii) an amount to correct for any prior variations, if any, between Buyer's proportionate part of estimated gross receipts taxes payable by Seller and Buyer's proportionate part of actual gross receipts taxes payable by Seller. This final bill is due and payable to Seller on the date which is within thirty (30) days following Buyer's receipt of such final bill. To the extent that the calculation of the final bill due to the amounts referred to in clauses (i), (ii), and (iii), above, results in a credit balance owed to Buyer, then Seller shall deliver to Buyer a check for such credit balance. <b>RULES AND REGULATIONS</b> Service under this rate schedule shall be furnished in accordance with the provisions of the written contract contemplated hereby and Seller's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Seller's office.</p>
PSIF-4	<p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</p>

<b>RATE ADJUSTMENT PROVISIONS:</b>
None

<b>DELIVERY POINTS</b>					
<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
149	D	MMBtu	\$8.4720	01/03/2007	N
<b>DESCRIPTION:</b> HOUSTON, INC.					

<b>TYPE SERVICE PROVIDED</b>		
<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

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

**TARIFF CODE: DS                      RRC TARIFF NO: 668**

**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:** DS                      **RRC TARIFF NO:** 772

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
2059	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in Harris County, Texas, where Company can arrange for the purchase and transportation of a gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to any new or existing large volume contract customer (hereinafter called Consumer or Consumers) of Company who executes a contract or an amendment to a contract after February 1, 1995, and uses, based on Company's estimate, at least 50 Mcf of natural gas on an average day for all uses except stand-by service and the operation of household appliances in living quarters of single or multiple family dwellings. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery or at one plant location and shall not be resold or shared with others. <b>NET MONTHLY RATE</b> During the period February 1, 1995 through January 31, 2000, the Net Monthly Rate per MMBtu for all natural gas delivered by Company to Consumer hereunder during a billing period shall be the sum of: (i) First 1,500 MMBtu @ \$4.75 per MMBtu; Over 1,500 MMBtu @ \$4.65 per MMBtu; plus (ii) applicable taxes, as defined in this rate schedule. Beginning February 1, 2000, the Net Monthly Rate per MMBtu for all natural gas delivered by Company to Consumer hereunder during a billing period shall be the sum of: (i) First 1,500 MMBtu @ \$4.75 per MMBtu; Over 1,500 MMBtu @ \$4.65 per MMBtu; plus (ii) the purchased gas adjustment, as defined in this rate schedule; plus (iii) applicable taxes, as defined in this rate schedule. <b>PURCHASED GAS ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this natural gas rate schedule is predicated upon the price of natural gas paid by Company to Company's supplier or suppliers of natural gas for large volume natural gas service for deliveries made by Company's supplier or suppliers during February, 1995 under this rate schedule. To the extent that Company's cost of natural gas to be purchased (adjusted to correct any prior variations from actual costs) for resale hereunder increases or decreases from such price of natural gas paid by Company for deliveries made by Company's supplier or suppliers during February, 1995 under this rate schedule, said Net Monthly Rate shall be adjusted upward or downward to reflect (i) changes in the cost of natural gas per unit sold; (ii) any and all applicable costs per unit sold for transportation services (including exchanges, backhauls, displacement or other methods of transportation) with respect to the natural gas delivered under this rate schedule; and (iii) changes in gross receipts taxes resulting from such increases or decreases in said Net Monthly Rate. <b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after January 1, 1991, which is assessed or levied against the Company or directly affects the Company cost of operation or is added to or made a part of the cost of gas purchased by the Company. <b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$100.00 plus applicable taxes. <b>WRITTEN CONTRACTS</b> In order to receive a delivery of gas from Company hereunder, a Consumer must be a party to a Gas Sales Contract with the Company for the purchase and sale of natural gas. This Gas Sales Contract must be in a form and on terms and conditions acceptable to Company. <b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such option, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (i) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the gas was measured. <b>MEASUREMENT cont'd.</b> (ii) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the gas was measured. <b>GROSS HEATING VALUE</b> The term Btu means one (1) British thermal unit. The term MMBtu means one million (1,000,000) British thermal units. The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of gas at sixty (60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this rate schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this rate schedule. Company shall, at its sole cost, risk, and expense, install or cause to be installed suitable gas measurement equipment at a location to be selected by the Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus; (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas for Btu content at an appropriate point; or (iii) use the average Btu content of the natural gas sampled at principal points of delivery within Company's Distribution Systems within Harris County. If Company's sample in (i) or (iii) is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to the Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Citibank, N. A., plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DS                      RRC TARIFF NO: 772**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-2	<p>gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. RULES AND REGULATIONS Service under this natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and the Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at the Company's office.</p> <p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 \$0.43 per customer annually. Collected from December 2, 2005 to January 4, 2006. Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 \$0.43 per customer annually. Collected from November 6, 2006 to December 5, 2006.</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	\$11.7636	02/02/2006	N
<b>DESCRIPTION:</b> HOUSTON, INC.					
Customer	327	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS                      **RRC TARIFF NO:** 891

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
AC-403	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in Company's Trans Texas Division where Company can arrange for the purchase and transportation of a natural gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to any new or existing large volume customer (hereinafter called Consumer or Consumers) of Company who executes a contract or an amendment to a contract after June 1, 2001 and who uses in excess of 2,400 Mcf on an annual basis to fuel a Prime Mover, as such term is defined in this rate schedule, or Air Conditioning Equipment, as such term is defined in this rate schedule. Consumer shall be required, based on Company's estimate, to use at least 50% of the natural gas Consumer purchases under this rate schedule during the Cooling Season, as such term is defined in this rate schedule. This rate schedule shall only apply to gas used in a Prime Mover or Air Conditioning Equipment installed on or after July 1, 1993 and shall not apply to gas sold by Company to Consumer for other purposes. Gas supplied hereunder is for the individual use of Consumer at one point of delivery and shall not be resold or shared with others.</p> <p><b>DEFINED TERMS</b> (1) The term Prime Mover shall mean a natural gas turbine or a natural gas fueled engine used to produce mechanical energy for a process or system. Such systems include but are not limited to cogeneration, refrigeration, pumping and compressor systems and any other system, based on Company's determination, that qualifies under the aforementioned Application section of this rate schedule. (2) The term Air Conditioning Equipment shall mean any equipment used for the purposes of providing air conditioning. Such equipment can include but not be limited to direct and indirect fired chiller/heater units, engine-driven and turbine-driven chillers, and any other equipment Company considers acceptable in accordance with this rate schedule. (3) The term Air Conditioning shall mean the process of heating, cooling, humidifying, filtering, drying, deodorizing, or otherwise treating air in a room or building to maintain a specified temperature and/or relative humidity and/or to remove impurities. (4) The term Service Year shall mean the period November of the current calendar year through October of the calendar year immediately following the current calendar year. (5) The term Heating Season shall mean the period November through April of the Service Year. (6) The term Cooling Season shall mean the period May through October of the Service Year.</p> <p><b>METERING REQUIREMENTS</b> Company shall have installed, in accordance with the provisions of the written contract contemplated hereby, a separate meter or meters to measure natural gas used by Consumer to fuel a Prime Mover or Air Conditioning Equipment under this rate schedule.</p> <p><b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) three dollars and twenty-three cents (\$3.23) per MMBtu; plus (ii) the rate adjustment; plus (iii) applicable taxes, as all such terms are referenced in this rate schedule. If Company determines at the conclusion of a Service Year that Consumer's natural gas usage during the Heating Season of such Service Year exceeds Consumer's natural gas usage during the Cooling Season of same such Service Year, and Company does not estimate that Consumer shall use at least 50% of its natural gas during the Cooling Season of the next Service Year, Company shall move Consumer to the most appropriate natural gas service rate schedule available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move. If Consumer uses, based on Company's estimate, less than 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during a Service Year, and Company does not estimate that Consumer shall use 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during the next Service Year, Company shall immediately move Consumer to the most appropriate rate available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move.</p> <p><b>RATE ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this rate schedule is predicated upon the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report. To the extent that the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the month in which gas is delivered by Company to Consumer hereunder increases or decreases from such index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report, said Net Monthly Rate shall be adjusted upward or downward to reflect changes in such index posting per MMBtu. If the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in Inside F.E.R.C.'s Gas Market Report is omitted from publication during any billing month, then the index posting for that billing month shall be computed as the simple average of the high and low postings per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas, Small Packages (less than 3,500 Mcf/day) as reported in the Inside F.E.R.C.'s Gas Market Report publication in which such index posting for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) was omitted plus three cents (\$0.03) per MMBtu.</p> <p><b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after January 1, 2001, which is assessed or levied against the Company or directly affects Company's cost of operation or is added to or made a part of the cost of gas purchased by the Company.</p> <p><b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$100.00 plus applicable taxes.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive delivery of natural gas from Company hereunder, Consumer must execute a written Gas Sales Contract with Company for the purchase and sale of natural gas. This Gas Sales Contract must be in a form and on terms and conditions acceptable to Company.</p> <p><b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the natural gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of natural gas, the flowing temperature of the natural gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such options, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (1) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DS                      RRC TARIFF NO: 891**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors of Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the natural gas was measured. (2) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the natural gas was measured. <b>GROSS HEATING VALUE</b> The term Btu means one (1) British Thermal unit. The term MMBtu means one million (1,000,000) British thermal units. The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of natural gas at sixty (60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this rate schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this rate schedule. Company shall, in accordance with the provisions of the written contract contemplated hereinabove, install or caused to be installed suitable gas measurement equipment at a location to be selected by Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus or (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas or Btu content at an appropriate point. If Company's sample is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Bank of America-Dallas, plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. <b>RULES AND REGULATIONS</b> Service under this natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p> <p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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>
343	D	MMBtu	\$8.3700	01/03/2007	N
<b>DESCRIPTION:</b> SUGAR LAND, INC.					

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS                      **RRC TARIFF NO:** 7178

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
AC-403	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in Company's Trans Texas Division where Company can arrange for the purchase and transportation of a natural gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to any new or existing large volume customer (hereinafter called Consumer or Consumers) of Company who executes a contract or an amendment to a contract after June 1, 2001 and who uses in excess of 2,400 Mcf on an annual basis to fuel a Prime Mover, as such term is defined in this rate schedule, or Air Conditioning Equipment, as such term is defined in this rate schedule. Consumer shall be required, based on Company's estimate, to use at least 50% of the natural gas Consumer purchases under this rate schedule during the Cooling Season, as such term is defined in this rate schedule. This rate schedule shall only apply to gas used in a Prime Mover or Air Conditioning Equipment installed on or after July 1, 1993 and shall not apply to gas sold by Company to Consumer for other purposes. Gas supplied hereunder is for the individual use of Consumer at one point of delivery and shall not be resold or shared with others.</p> <p><b>DEFINED TERMS</b> (1) The term Prime Mover shall mean a natural gas turbine or a natural gas fueled engine used to produce mechanical energy for a process or system. Such systems include but are not limited to cogeneration, refrigeration, pumping and compressor systems and any other system, based on Company's determination, that qualifies under the aforementioned Application section of this rate schedule. (2) The term Air Conditioning Equipment shall mean any equipment used for the purposes of providing air conditioning. Such equipment can include but not be limited to direct and indirect fired chiller/heater units, engine-driven and turbine-driven chillers, and any other equipment Company considers acceptable in accordance with this rate schedule. (3) The term Air Conditioning shall mean the process of heating, cooling, humidifying, filtering, drying, deodorizing, or otherwise treating air in a room or building to maintain a specified temperature and/or relative humidity and/or to remove impurities. (4) The term Service Year shall mean the period November of the current calendar year through October of the calendar year immediately following the current calendar year. (5) The term Heating Season shall mean the period November through April of the Service Year. (6) The term Cooling Season shall mean the period May through October of the Service Year.</p> <p><b>METERING REQUIREMENTS</b> Company shall have installed, in accordance with the provisions of the written contract contemplated hereby, a separate meter or meters to measure natural gas used by Consumer to fuel a Prime Mover or Air Conditioning Equipment under this rate schedule.</p> <p><b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) three dollars and twenty-three cents (\$3.23) per MMBtu; plus (ii) the rate adjustment; plus (iii) applicable taxes, as all such terms are referenced in this rate schedule. If Company determines at the conclusion of a Service Year that Consumer's natural gas usage during the Heating Season of such Service Year exceeds Consumer's natural gas usage during the Cooling Season of same such Service Year, and Company does not estimate that Consumer shall use at least 50% of its natural gas during the Cooling Season of the next Service Year, Company shall move Consumer to the most appropriate natural gas service rate schedule available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move. If Consumer uses, based on Company's estimate, less than 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during a Service Year, and Company does not estimate that Consumer shall use 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during the next Service Year, Company shall immediately move Consumer to the most appropriate rate available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move.</p> <p><b>RATE ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this rate schedule is predicated upon the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report. To the extent that the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the month in which gas is delivered by Company to Consumer hereunder increases or decreases from such index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report, said Net Monthly Rate shall be adjusted upward or downward to reflect changes in such index posting per MMBtu. If the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in Inside F.E.R.C.'s Gas Market Report is omitted from publication during any billing month, then the index posting for that billing month shall be computed as the simple average of the high and low postings per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas, Small Packages (less than 3,500 Mcf/day) as reported in the Inside F.E.R.C.'s Gas Market Report publication in which such index posting for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) was omitted plus three cents (\$0.03) per MMBtu.</p> <p><b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after January 1, 2001, which is assessed or levied against the Company or directly affects Company's cost of operation or is added to or made a part of the cost of gas purchased by the Company.</p> <p><b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$100.00 plus applicable taxes.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive delivery of natural gas from Company hereunder, Consumer must execute a written Gas Sales Contract with Company for the purchase and sale of natural gas. This Gas Sales Contract must be in a form and on terms and conditions acceptable to Company.</p> <p><b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the natural gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of natural gas, the flowing temperature of the natural gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such options, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (1) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DS**                      **RRC TARIFF NO: 7178**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors of Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the natural gas was measured. (2) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the natural gas was measured. <b>GROSS HEATING VALUE</b> The term Btu means one (1) British Thermal unit. The term MMBtu means one million (1,000,000) British thermal units. The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of natural gas at sixty (60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this rate schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this rate schedule. Company shall, in accordance with the provisions of the written contract contemplated hereinabove, install or caused to be installed suitable gas measurement equipment at a location to be selected by Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus or (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas or Btu content at an appropriate point. If Company's sample is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Bank of America-Dallas, plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. <b>RULES AND REGULATIONS</b> Service under this natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p> <p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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>
230	D	MMBtu	\$8.3700	01/03/2007	N
<b>DESCRIPTION:</b> MISSOURI CITY, INC.					

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS                      **RRC TARIFF NO:** 7179

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
AC-403	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in Company's Trans Texas Division where Company can arrange for the purchase and transportation of a natural gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to any new or existing large volume customer (hereinafter called Consumer or Consumers) of Company who executes a contract or an amendment to a contract after June 1, 2001 and who uses in excess of 2,400 Mcf on an annual basis to fuel a Prime Mover, as such term is defined in this rate schedule, or Air Conditioning Equipment, as such term is defined in this rate schedule. Consumer shall be required, based on Company's estimate, to use at least 50% of the natural gas Consumer purchases under this rate schedule during the Cooling Season, as such term is defined in this rate schedule. This rate schedule shall only apply to gas used in a Prime Mover or Air Conditioning Equipment installed on or after July 1, 1993 and shall not apply to gas sold by Company to Consumer for other purposes. Gas supplied hereunder is for the individual use of Consumer at one point of delivery and shall not be resold or shared with others.</p> <p><b>DEFINED TERMS</b> (1) The term Prime Mover shall mean a natural gas turbine or a natural gas fueled engine used to produce mechanical energy for a process or system. Such systems include but are not limited to cogeneration, refrigeration, pumping and compressor systems and any other system, based on Company's determination, that qualifies under the aforementioned Application section of this rate schedule. (2) The term Air Conditioning Equipment shall mean any equipment used for the purposes of providing air conditioning. Such equipment can include but not be limited to direct and indirect fired chiller/heater units, engine-driven and turbine-driven chillers, and any other equipment Company considers acceptable in accordance with this rate schedule. (3) The term Air Conditioning shall mean the process of heating, cooling, humidifying, filtering, drying, deodorizing, or otherwise treating air in a room or building to maintain a specified temperature and/or relative humidity and/or to remove impurities. (4) The term Service Year shall mean the period November of the current calendar year through October of the calendar year immediately following the current calendar year. (5) The term Heating Season shall mean the period November through April of the Service Year. (6) The term Cooling Season shall mean the period May through October of the Service Year.</p> <p><b>METERING REQUIREMENTS</b> Company shall have installed, in accordance with the provisions of the written contract contemplated hereby, a separate meter or meters to measure natural gas used by Consumer to fuel a Prime Mover or Air Conditioning Equipment under this rate schedule.</p> <p><b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) three dollars and twenty-three cents (\$3.23) per MMBtu; plus (ii) the rate adjustment; plus (iii) applicable taxes, as all such terms are referenced in this rate schedule. If Company determines at the conclusion of a Service Year that Consumer's natural gas usage during the Heating Season of such Service Year exceeds Consumer's natural gas usage during the Cooling Season of same such Service Year, and Company does not estimate that Consumer shall use at least 50% of its natural gas during the Cooling Season of the next Service Year, Company shall move Consumer to the most appropriate natural gas service rate schedule available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move. If Consumer uses, based on Company's estimate, less than 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during a Service Year, and Company does not estimate that Consumer shall use 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during the next Service Year, Company shall immediately move Consumer to the most appropriate rate available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move.</p> <p><b>RATE ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this rate schedule is predicated upon the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report. To the extent that the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the month in which gas is delivered by Company to Consumer hereunder increases or decreases from such index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report, said Net Monthly Rate shall be adjusted upward or downward to reflect changes in such index posting per MMBtu. If the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in Inside F.E.R.C.'s Gas Market Report is omitted from publication during any billing month, then the index posting for that billing month shall be computed as the simple average of the high and low postings per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas, Small Packages (less than 3,500 Mcf/day) as reported in the Inside F.E.R.C.'s Gas Market Report publication in which such index posting for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) was omitted plus three cents (\$0.03) per MMBtu.</p> <p><b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after January 1, 2001, which is assessed or levied against the Company or directly affects Company's cost of operation or is added to or made a part of the cost of gas purchased by the Company.</p> <p><b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$100.00 plus applicable taxes.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive delivery of natural gas from Company hereunder, Consumer must execute a written Gas Sales Contract with Company for the purchase and sale of natural gas. This Gas Sales Contract must be in a form and on terms and conditions acceptable to Company.</p> <p><b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the natural gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of natural gas, the flowing temperature of the natural gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such options, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (1) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DS      **RRC TARIFF NO:** 7179

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors of Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the natural gas was measured. (2) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the natural gas was measured. <b>GROSS HEATING VALUE</b> The term Btu means one (1) British Thermal unit. The term MMBtu means one million (1,000,000) British thermal units. The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of natural gas at sixty (60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this rate schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this rate schedule. Company shall, in accordance with the provisions of the written contract contemplated hereinabove, install or caused to be installed suitable gas measurement equipment at a location to be selected by Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus or (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas or Btu content at an appropriate point. If Company's sample is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Bank of America-Dallas, plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. <b>RULES AND REGULATIONS</b> Service under this natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p> <p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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>
344	D	MMBtu	\$8.3700	01/03/2007	N
<b>DESCRIPTION:</b> SUGAR LAND, ENVIRONS					

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS                      **RRC TARIFF NO:** 7203

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
AC-401	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in Harris County, Texas, where Company can arrange for the purchase and transportation of a gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to any new or existing large volume customer (hereinafter called Consumer or Consumers) of Company who executes a contract or an amendment to a contract after June 1, 1993 and who uses in excess of 2,400 Mcf on an annual basis to fuel Air Conditioning Equipment, as such term is defined in this rate schedule. Consumer shall be required, based on Company's estimate, to use at least 50% of the natural gas Consumer purchases under this rate schedule for cooling. This rate schedule shall only apply to gas used in Air Conditioning Equipment installed on or after July 1, 1993 and shall not apply to gas sold by Company to Consumer for other purposes. Gas supplied hereunder is for the individual use of Consumer at one point of delivery and shall not be resold or shared with others.</p> <p><b>DEFINED TERMS</b> (1) The term Air Conditioning Equipment shall mean any equipment used for the purposes of providing air conditioning. Such equipment can include but not be limited to direct and indirect fired chiller/heater units, engine-driven and turbine-driven chillers, and any other equipment Company considers acceptable in accordance with this rate schedule. (2) The term Air Conditioning shall mean the process of heating, cooling, humidifying, filtering, drying, deodorizing, or otherwise treating air in a room or building to maintain a specified temperature and/or relative humidity and/or to remove impurities. (3) The term Service Year shall mean the period November of the current calendar year through October of the calendar year immediately following the current calendar year. (4) The term Heating Season shall mean the period November through April of the Service Year. (5) The term Cooling Season shall mean the period May through October of the Service Year.</p> <p><b>METERING REQUIREMENTS</b> Company shall have installed, in accordance with the provisions of the written contract contemplated hereby, a separate meter or meters to measure natural gas used by Consumer for Air Conditioning. <b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) three dollars and twenty-three cents (\$3.23) per MMBtu; plus (ii) the rate adjustment, as defined in this rate schedule; plus (iii) applicable taxes, as defined in this rate schedule. If Company determines at the conclusion of a Service Year that Consumer's natural gas usage during the Heating Season of such Service Year exceeds Consumer's natural gas usage during the Cooling Season of same such Service Year, and Company does not estimate that Consumer shall use at least 50% of its natural gas during the Cooling Season of the next Service Year, Company shall move Consumer to the most appropriate natural gas service rate schedule available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move.</p> <p><b>RATE ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this rate schedule is predicated upon the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report. To the extent that the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the month in which gas is delivered by Company to Consumer hereunder increases or decreases from such index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report, said Net Monthly Rate shall be adjusted upward or downward to reflect changes and in such index posting per MMBtu. If the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in Inside F.E.R.C.'s Gas Market Report is omitted from publication during any billing month, then the index posting for that billing month shall be computed as the simple average of the high and low postings per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas, Small Packages (less than 3,500 Mcf/day) as reported in the Inside F.E.R.C.'s Gas Market Report publication in which such index posting for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) was omitted plus three cents (\$0.03) per MMBtu.</p> <p><b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after February 5, 1988, which is assessed or levied against the Company or directly affects Company's cost of operation or is added to or made a part of the cost of gas purchased by the Company.</p> <p><b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$100.00 plus applicable taxes.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive delivery of natural gas from Company hereunder, Consumer must execute a written Gas Sales Contract with Company for the purchase and sale of natural gas. This Gas Sales Contract must be in a form and on terms and conditions acceptable to Company.</p> <p><b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such options, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (1) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors of Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the gas was measured. (2) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the gas was measured.</p> <p><b>GROSS HEATING VALUE</b> The term Btu means one (1) British Thermal unit. The term MMBtu means one million (1,000,000) British thermal units. The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of gas at sixty</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DS                      **RRC TARIFF NO:** 7203

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this Rate Schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this Rate Schedule. Company shall, in accordance with the provisions of the written contract contemplated hereinabove, install or caused to be installed suitable gas measurement equipment at a location to be selected by Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus or (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas or Btu content at an appropriate point. If Company's sample is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Citibank, N. A., plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. <b>RULES AND REGULATIONS</b> Service under this natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office. <b>AVAILABILITY &amp; APPLICATION</b> This rider is available to any new or existing large volume customer (hereinafter called Consumer or Consumers) of CENTERPOINT ENERGY ENTEX (hereinafter called Company) who executes a gas sales contract or an amendment to a gas sales contract for service under Rate Schedule AC-401 after June 1, 1993. In order for Consumer to qualify for this rider, the aforementioned gas sales contract must have a minimum term of five (5) years from the date service is initiated under Rate Schedule AC-401. <b>NET MONTHLY RATE</b> Under this rider, in lieu of the Net Monthly Rate for Air Conditioning as detailed in Rate Schedule 401, the Net Monthly Rate for Air Conditioning shall be the sum of (i) two dollars and sixty-three cents (\$2.63) per MMBtu; plus (ii) the rate adjustment, as defined in Rate Schedule AC-401; plus (iii) applicable taxes, as defined in Rate Schedule AC-401. This Net Monthly Rate for Air Conditioning shall be effective for a period of thirty-six months from the date natural gas service is initiated under Rate Schedule AC-401. Upon the expiration of such thirty-six month period of service, the Net Monthly Rate for Air Conditioning shall be as specified in Rate Schedule AC-401. <b>RULES AND REGULATIONS</b> Service under this rider to Rate Schedule AC-401 shall be furnished in accordance with the written contract contemplated under Rate Schedule AC-401 and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p>
PSIF-4	<p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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	\$8.3700	01/03/2007	N

**DESCRIPTION:** HOUSTON, INC.

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS                      **RRC TARIFF NO:** 7204

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
AC-401	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in Harris County, Texas, where Company can arrange for the purchase and transportation of a gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to any new or existing large volume customer (hereinafter called Consumer or Consumers) of Company who executes a contract or an amendment to a contract after June 1, 1993 and who uses in excess of 2,400 Mcf on an annual basis to fuel Air Conditioning Equipment, as such term is defined in this rate schedule. Consumer shall be required, based on Company's estimate, to use at least 50% of the natural gas Consumer purchases under this rate schedule for cooling. This rate schedule shall only apply to gas used in Air Conditioning Equipment installed on or after July 1, 1993 and shall not apply to gas sold by Company to Consumer for other purposes. Gas supplied hereunder is for the individual use of Consumer at one point of delivery and shall not be resold or shared with others.</p> <p><b>DEFINED TERMS</b> (1) The term Air Conditioning Equipment shall mean any equipment used for the purposes of providing air conditioning. Such equipment can include but not be limited to direct and indirect fired chiller/heater units, engine-driven and turbine-driven chillers, and any other equipment Company considers acceptable in accordance with this rate schedule. (2) The term Air Conditioning shall mean the process of heating, cooling, humidifying, filtering, drying, deodorizing, or otherwise treating air in a room or building to maintain a specified temperature and/or relative humidity and/or to remove impurities. (3) The term Service Year shall mean the period November of the current calendar year through October of the calendar year immediately following the current calendar year. (4) The term Heating Season shall mean the period November through April of the Service Year. (5) The term Cooling Season shall mean the period May through October of the Service Year.</p> <p><b>METERING REQUIREMENTS</b> Company shall have installed, in accordance with the provisions of the written contract contemplated hereby, a separate meter or meters to measure natural gas used by Consumer for Air Conditioning. <b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) three dollars and twenty-three cents (\$3.23) per MMBtu; plus (ii) the rate adjustment, as defined in this rate schedule; plus (iii) applicable taxes, as defined in this rate schedule. If Company determines at the conclusion of a Service Year that Consumer's natural gas usage during the Heating Season of such Service Year exceeds Consumer's natural gas usage during the Cooling Season of same such Service Year, and Company does not estimate that Consumer shall use at least 50% of its natural gas during the Cooling Season of the next Service Year, Company shall move Consumer to the most appropriate natural gas service rate schedule available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move.</p> <p><b>RATE ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this rate schedule is predicated upon the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report. To the extent that the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the month in which gas is delivered by Company to Consumer hereunder increases or decreases from such index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report, said Net Monthly Rate shall be adjusted upward or downward to reflect changes and in such index posting per MMBtu. If the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in Inside F.E.R.C.'s Gas Market Report is omitted from publication during any billing month, then the index posting for that billing month shall be computed as the simple average of the high and low postings per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas, Small Packages (less than 3,500 Mcf/day) as reported in the Inside F.E.R.C.'s Gas Market Report publication in which such index posting for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) was omitted plus three cents (\$0.03) per MMBtu.</p> <p><b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after February 5, 1988, which is assessed or levied against the Company or directly affects Company's cost of operation or is added to or made a part of the cost of gas purchased by the Company.</p> <p><b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$100.00 plus applicable taxes.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive delivery of natural gas from Company hereunder, Consumer must execute a written Gas Sales Contract with Company for the purchase and sale of natural gas. This Gas Sales Contract must be in a form and on terms and conditions acceptable to Company.</p> <p><b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such options, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (1) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors of Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the gas was measured. (2) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the gas was measured.</p> <p><b>GROSS HEATING VALUE</b> The term Btu means one (1) British Thermal unit. The term MMBtu means one million (1,000,000) British thermal units. The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of gas at sixty</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DS      **RRC TARIFF NO:** 7204

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>(60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this Rate Schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this Rate Schedule. Company shall, in accordance with the provisions of the written contract contemplated hereinabove, install or caused to be installed suitable gas measurement equipment at a location to be selected by Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus or (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas or Btu content at an appropriate point. If Company's sample is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Citibank, N. A., plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. <b>RULES AND REGULATIONS</b> Service under this natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office. <b>AVAILABILITY &amp; APPLICATION</b> This rider is available to any new or existing large volume customer (hereinafter called Consumer or Consumers) of CENTERPOINT ENERGY ENTEX (hereinafter called Company) who executes a gas sales contract or an amendment to a gas sales contract for service under Rate Schedule AC-401 after June 1, 1993. In order for Consumer to qualify for this rider, the aforementioned gas sales contract must have a minimum term of five (5) years from the date service is initiated under Rate Schedule AC-401. <b>NET MONTHLY RATE</b> Under this rider, in lieu of the Net Monthly Rate for Air Conditioning as detailed in Rate Schedule 401, the Net Monthly Rate for Air Conditioning shall be the sum of (i) two dollars and sixty-three cents (\$2.63) per MMBtu; plus (ii) the rate adjustment, as defined in Rate Schedule AC-401; plus (iii) applicable taxes, as defined in Rate Schedule AC-401. This Net Monthly Rate for Air Conditioning shall be effective for a period of thirty-six months from the date natural gas service is initiated under Rate Schedule AC-401. Upon the expiration of such thirty-six month period of service, the Net Monthly Rate for Air Conditioning shall be as specified in Rate Schedule AC-401. <b>RULES AND REGULATIONS</b> Service under this rider to Rate Schedule AC-401 shall be furnished in accordance with the written contract contemplated under Rate Schedule AC-401 and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p>
PSIF-4	<p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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	\$8.3700	01/03/2007	N
<b>DESCRIPTION:</b> HOUSTON, INC.					

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS      **RRC TARIFF NO:** 7205

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
AC-402	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in Company's Trans Texas Division where Company can arrange for the purchase and transportation of a natural gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to any new or existing large volume customer (hereinafter called Consumer or Consumers) of Company who executes a contract or an amendment to a contract after August 1, 1995 and who uses in excess of 2,400 Mcf on an annual basis to fuel a Prime Mover, as such term is defined in this rate schedule, or Air Conditioning Equipment, as such term is defined in this rate schedule. Consumer shall be required, based on Company's estimate, to use at least 50% of the natural gas Consumer purchases under this rate schedule during the Cooling Season, as such term is defined in this rate schedule. This rate schedule shall only apply to gas used in a Prime Mover or Air Conditioning Equipment installed on or after August 1, 1995 and shall not apply to gas sold by Company to Consumer for other purposes. Gas supplied hereunder is for the individual use of Consumer at one point of delivery and shall not be resold or shared with others.</p> <p><b>DEFINED TERMS</b> (1) The term Prime Mover shall mean a natural gas turbine or a natural gas fueled engine used to produce mechanical energy for a process or system. Such systems include but are not limited to cogeneration, refrigeration, pumping and compressor systems and any other system, based on Company's determination, that qualifies under the aforementioned Application section of this rate schedule. (2) The term Air Conditioning Equipment shall mean any equipment used for the purposes of providing air conditioning. Such equipment can include but not be limited to direct and indirect fired chiller/heater units, engine-driven and turbine-driven chillers, and any other equipment Company considers acceptable in accordance with this rate schedule. (3) The term Air Conditioning shall mean the process of heating, cooling, humidifying, filtering, drying, deodorizing, or otherwise treating air in a room or building to maintain a specified temperature and/or relative humidity and/or to remove impurities. (4) The term Service Year shall mean the period November of the current calendar year through October of the calendar year immediately following the current calendar year. (5) The term Heating Season shall mean the period November through April of the Service Year. (6) The term Cooling Season shall mean the period May through October of the Service Year.</p> <p><b>METERING REQUIREMENTS</b> Company shall have installed, in accordance with the provisions of the written contract contemplated hereby, a separate meter or meters to measure natural gas used by Consumer to fuel a Prime Mover or Air Conditioning Equipment under this rate schedule.</p> <p><b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) three dollars and twenty-three cents (\$3.23) per MMBtu; plus (ii) the rate adjustment, as defined in this rate schedule; plus (iii) applicable taxes, as defined in this rate schedule. If Company determines at the conclusion of a Service Year that Consumer's natural gas usage during the Heating Season of such Service Year exceeds Consumer's natural gas usage during the Cooling Season of same such Service Year, and Company does not estimate that Consumer shall use at least 50% of its natural gas during the Cooling Season of the next Service Year, Company shall move Consumer to the most appropriate natural gas service rate schedule available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move. If Consumer uses, based on Company's estimate, less than 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during a Service Year, and Company does not estimate that Consumer shall use 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during the next Service Year, Company shall immediately move Consumer to the most appropriate rate available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move.</p> <p><b>RATE ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this rate schedule is predicated upon the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report. To the extent that the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the month in which gas is delivered by Company to Consumer hereunder increases or decreases from such index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report, said Net Monthly Rate shall be adjusted upward or downward to reflect changes in such index posting per MMBtu. If the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in Inside F.E.R.C.'s Gas Market Report is omitted from publication during any billing month, then the index posting for that billing month shall be computed as the simple average of the high and low postings per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas, Small Packages (less than 3,500 Mcf/day) as reported in the Inside F.E.R.C.'s Gas Market Report publication in which such index posting for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) was omitted plus three cents (\$0.03) per MMBtu.</p> <p><b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after February 5, 1988, which is assessed or levied against the Company or directly affects Company's cost of operation or is added to or made a part of the cost of gas purchased by the Company.</p> <p><b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$100.00 plus applicable taxes.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive delivery of natural gas from Company hereunder, Consumer must execute a written Gas Sales Contract with Company for the purchase and sale of natural gas. This Gas Sales Contract must be in a form and on terms and conditions acceptable to Company.</p> <p><b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the natural gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of natural gas, the flowing temperature of the natural gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such options, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (1) When the flowing gas temperature is assumed to be</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DS      **RRC TARIFF NO:** 7205

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors of Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the natural gas was measured. (2) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the natural gas was measured. GROSS HEATING VALUE The term Btu means one (1) British Thermal unit. The term MMBtu means one million (1,000,000) British thermal units. The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of natural gas at sixty (60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this rate schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this rate schedule. Company shall, in accordance with the provisions of the written contract contemplated hereinabove, install or caused to be installed suitable gas measurement equipment at a location to be selected by Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus or (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas or Btu content at an appropriate point. If Company's sample is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. BILLING AND PAYMENT The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Citibank, N. A., plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. RULES AND REGULATIONS Service under this natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office. AVAILABILITY &amp; APPLICATION This rider is available to any new or existing large volume customer (hereinafter called Consumer or Consumers) of CENTERPOINT ENERGY ENTEX (hereinafter called Company) who executes a gas sales contract or an amendment to a gas sales contract for service under Rate Schedule AC-402 after August 1, 1995. In order for Consumer to qualify for this rider, the aforementioned gas sales contract must have a minimum term of five (5) years from the date service is initiated under Rate Schedule AC-402. NET MONTHLY RATE Under this rider, in lieu of the Net Monthly Rate as detailed in Rate Schedule AC-402, the Net Monthly Rate shall be the sum of (i) two dollars and sixty-three cents (\$2.63) per MMBtu; plus (ii) the rate adjustment, as defined in Rate Schedule AC-402; plus (iii) applicable taxes, as defined in Rate Schedule AC-402. This Net Monthly Rate shall be effective for a period of thirty-six months from the date natural gas service is initiated under Rate Schedule AC-402. Upon the expiration of such thirty-six month period of service, the Net Monthly Rate shall be as specified in Rate Schedule AC-402. RULES AND REGULATIONS Service under this rider to Rate Schedule AC-402 shall be furnished in accordance with the written contract contemplated under Rate Schedule AC-402 and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p> <p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</p>

**RATE ADJUSTMENT PROVISIONS:**  
None

<b>DELIVERY POINTS</b>					
<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
342	D	MMBtu	\$8.3700	01/03/2007	N
<b>DESCRIPTION:</b> STAFFORD, INC.					

<b>TYPE SERVICE PROVIDED</b>		
<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

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

**TARIFF CODE: DS                      RRC TARIFF NO: 7205**

**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: DS                      RRC TARIFF NO: 7241**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
2854	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Seller) in the City of Houston, Texas, where Seller can arrange for the purchase and transportation of a gas supply for a class of municipally operated facilities on terms and conditions satisfactory to the Seller.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to a class of municipally-operated facilities (hereinafter called Buyer) within the corporate limits of the City of Houston that are listed in the written contract contemplated hereby and which will use, based on Seller's estimate, in excess of 500 Mcf per day in a municipally-operated service facility and 3,000 Mcf per day for the class of municipally-operated facilities. Gas supplied hereunder is for the individual use of each of Buyer's facilities at one point of delivery and shall not be resold or shared with others.    <b>NET MONTHLY RATE</b> For the period beginning July 1, 2009 through June 30, 2010, the Net Monthly Rate per MMBtu for all natural gas sold and delivered by Seller to Buyer hereunder during a billing period shall be the sum of: (I) First 70,000 MMBtu @ \$6.090 per MMBtu;    Over 70,000 MMBtu @ \$0.650 per MMBtu; plus the index posting per MMBtu for Market Center Spot Gas Prices, East Texas/Houston Ship Channel as reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the billing period in                      which natural gas is delivered by Seller to Buyer; plus (ii) applicable taxes, as referenced in this rate schedule.    <b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes including applicable sales and use taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Seller and applicable to a Buyer; (ii) Buyer's proportionate part of any new, subsequently applicable or increased rate of any existing, tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after January 1, 2004, which is assessed or levied against the Seller or directly affects the Seller's cost of operation or is added to or made a part of the cost of gas purchased by the Seller; and (iii) any increase in the taxes paid to any governmental authority that results from a change in Buyer's Net Monthly Rate.    <b>MINIMUM BILL</b> During any billing period, Seller shall render to Buyer a bill for an amount not less than \$10,000.00 plus applicable taxes for each municipally-operated facility.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive a delivery of gas from Seller hereunder, a Buyer must be a party to a Gas Sales Contract with the Seller for the purchase and sale of natural gas. This contract must be in a form and on terms and conditions acceptable to Seller.    <b>MEASUREMENT</b> The measurement of all gas sold and delivered by Seller to Buyer hereunder shall be in accordance with the provisions of the written contract contemplated hereby.    <b>GROSS HEATING VALUE</b> The gross heating value of all gas sold and delivered by Seller to Buyer hereunder shall be in accordance with the provisions of the written contract contemplated hereby.</p> <p><b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company at Company's office on the date which is within thirty (30) days following Consumer's receipt of such bill. If Consumer fails to pay any amount due when the same is due, interest thereon shall accrue at a rate equal to the daily rate equivalent of the then current prime rate as announced from time to time by Bank of America-Dallas, N.A., plus 1% per annum from the date when such amount is due until the same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer. If such failure to pay continues for 60 days, Company may, upon receipt of appropriate governmental authority, if any is required, suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. Within sixty (60) days of the termination of deliveries by Company to Consumer under the written contract contemplated hereinabove, Company shall render to Consumer and Consumer shall pay in full a final bill that shall include but not be limited to: (i) an amount to correct for any prior variations, if any, between: (a) the estimated and actual costs of gas; (b) the estimated and actual costs for transportation services (including exchanges, backhauls, displacement or other methods of transportation), if any; (ii) an amount to correct for any volume variations, if any, between the deliveries billed by Company to Consumer and the deliveries actually received by Consumer, and (iii) an amount to correct for any prior variations, if any, between Consumer's proportionate part of estimated gross receipts taxes payable by Company and Consumer's proportionate part of actual gross receipts taxes payable by Company. This final bill is due and payable to Company on the date which is within thirty (30) days following Consumer's receipt of such final bill. To the extent that the calculation of the final bill due to the amounts referred to in clauses (i), (ii), and (iii), above, results in a credit balance owed to Consumer, then Company shall deliver to Consumer a check for such credit balance.    <b>RULES AND REGULATIONS</b> Service under this rate schedule shall be furnished in accordance with the provisions of the written contract contemplated hereby and Seller's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Seller's office.</p>
PSIF-4	<p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</p>

**RATE ADJUSTMENT PROVISIONS:**  
None

<b>DELIVERY POINTS</b>					
<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
149	D	MMBtu	\$7.7200	01/03/2007	N
<b>DESCRIPTION:</b> HOUSTON, INC.					
<b>Customer</b>	272	**CONFIDENTIAL**			

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DS                      RRC TARIFF NO: 7241**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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: DS                      RRC TARIFF NO: 7242**

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS                      **RRC TARIFF NO:** 7992

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
AC-404	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in Company's Texas Coast Division where Company can arrange for the purchase and transportation of a natural gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to any new or existing large volume customer (hereinafter called Consumer or Consumers) of Company who executes a contract or an amendment to a contract after June 1, 2001 and who uses in excess of 2,400 Mcf on an annual basis to fuel a Prime Mover, as such term is defined in this rate schedule, or Air Conditioning Equipment, as such term is defined in this rate schedule. Consumer shall be required, based on Company's estimate, to use at least 50% of the natural gas Consumer purchases under this rate schedule during the Cooling Season, as such term is defined in this rate schedule. This rate schedule shall only apply to gas used in a Prime Mover or Air Conditioning Equipment installed on or after July 1, 1993 and shall not apply to gas sold by Company to Consumer for other purposes. Gas supplied hereunder is for the individual use of Consumer at one point of delivery and shall not be resold or shared with others.</p> <p><b>DEFINED TERMS</b> (1) The term Prime Mover shall mean a natural gas turbine or a natural gas fueled engine used to produce mechanical energy for a process or system. Such systems include but are not limited to cogeneration, refrigeration, pumping and compressor systems and any other system, based on Company's determination, that qualifies under the aforementioned Application section of this rate schedule. (2) The term Air Conditioning Equipment shall mean any equipment used for the purposes of providing air conditioning. Such equipment can include but not be limited to direct and indirect fired chiller/heater units, engine-driven and turbine-driven chillers, and any other equipment Company considers acceptable in accordance with this rate schedule. (3) The term Air Conditioning shall mean the process of heating, cooling, humidifying, filtering, drying, deodorizing, or otherwise treating air in a room or building to maintain a specified temperature and/or relative humidity and/or to remove impurities. (4) The term Service Year shall mean the period November of the current calendar year through October of the calendar year immediately following the current calendar year. (5) The term Heating Season shall mean the period November through April of the Service Year. (6) The term Cooling Season shall mean the period May through October of the Service Year.</p> <p><b>METERING REQUIREMENTS</b> Company shall have installed, in accordance with the provisions of the written contract contemplated hereby, a separate meter or meters to measure natural gas used by Consumer to fuel a Prime Mover or Air Conditioning Equipment under this rate schedule.</p> <p><b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) three dollars and twenty-three cents (\$3.23) per MMBtu; plus (ii) the rate adjustment; plus (iii) applicable taxes, as all such terms are referenced in this rate schedule. If Company determines at the conclusion of a Service Year that Consumer's natural gas usage during the Heating Season of such Service Year exceeds Consumer's natural gas usage during the Cooling Season of same such Service Year, and Company does not estimate that Consumer shall use at least 50% of its natural gas during the Cooling Season of the next Service Year, Company shall move Consumer to the most appropriate natural gas service rate schedule available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move.</p> <p>If Consumer uses, based on Company's estimate, less than 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during a Service Year, and Company does not estimate that Consumer shall use 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during the next Service Year, Company shall immediately move Consumer to the most appropriate rate available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move.</p> <p><b>RATE ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this rate schedule is predicated upon the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report. To the extent that the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the month in which gas is delivered by Company to Consumer hereunder increases or decreases from such index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report, said Net Monthly Rate shall be adjusted upward or downward to reflect changes in such index posting per MMBtu. If the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in Inside F.E.R.C.'s Gas Market Report is omitted from publication during any billing month, then the index posting for that billing month shall be computed as the simple average of the high and low postings per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas, Small Packages (less than 3,500 Mcf/day) as reported in the Inside F.E.R.C.'s Gas Market Report publication in which such index posting for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) was omitted plus three cents (\$0.03) per MMBtu.</p> <p><b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after January 1, 2001, which is assessed or levied against the Company or directly affects Company's cost of operation or is added to or made a part of the cost of gas purchased by the Company.</p> <p><b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$100.00 plus applicable taxes.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive delivery of natural gas from Company hereunder, Consumer must execute a written Gas Sales Contract with Company for the purchase and sale of natural gas. This Gas Sales Contract must be in a form and on terms and conditions acceptable to Company.</p> <p><b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the natural gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of natural gas, the flowing temperature of the natural gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such options, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (1) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DS      **RRC TARIFF NO:** 7992

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors of Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the natural gas was measured. (2) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the natural gas was measured. <b>GROSS HEATING VALUE</b> The term Btu means one (1) British Thermal unit. The term MMBtu means one million (1,000,000) British thermal units. The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of natural gas at sixty (60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this rate schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this rate schedule. Company shall, in accordance with the provisions of the written contract contemplated hereinabove, install or caused to be installed suitable gas measurement equipment at a location to be selected by Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus or (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas or Btu content at an appropriate point. If Company's sample is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Bank of America-Dallas, plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. <b>RULES AND REGULATIONS</b> Service under this natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p> <p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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>
343	D	MMBtu	\$8.3700	01/03/2007	N

**DESCRIPTION:** SUGAR LAND, INC.

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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:** DS                      **RRC TARIFF NO:** 12068

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
AC-403	<p><b>AVAILABILITY</b> This natural gas rate schedule is available at points of adequate capacity and suitable pressure on existing facilities of CENTERPOINT ENERGY ENTEX (hereinafter called Company) in Company's Trans Texas Division where Company can arrange for the purchase and transportation of a natural gas supply for a specific customer on terms and conditions satisfactory to the Company.</p> <p><b>APPLICATION</b> This natural gas rate schedule is applicable to any new or existing large volume customer (hereinafter called Consumer or Consumers) of Company who executes a contract or an amendment to a contract after June 1, 2001 and who uses in excess of 2,400 Mcf on an annual basis to fuel a Prime Mover, as such term is defined in this rate schedule, or Air Conditioning Equipment, as such term is defined in this rate schedule. Consumer shall be required, based on Company's estimate, to use at least 50% of the natural gas Consumer purchases under this rate schedule during the Cooling Season, as such term is defined in this rate schedule. This rate schedule shall only apply to gas used in a Prime Mover or Air Conditioning Equipment installed on or after July 1, 1993 and shall not apply to gas sold by Company to Consumer for other purposes. Gas supplied hereunder is for the individual use of Consumer at one point of delivery and shall not be resold or shared with others.</p> <p><b>DEFINED TERMS</b> (1) The term Prime Mover shall mean a natural gas turbine or a natural gas fueled engine used to produce mechanical energy for a process or system. Such systems include but are not limited to cogeneration, refrigeration, pumping and compressor systems and any other system, based on Company's determination, that qualifies under the aforementioned Application section of this rate schedule. (2) The term Air Conditioning Equipment shall mean any equipment used for the purposes of providing air conditioning. Such equipment can include but not be limited to direct and indirect fired chiller/heater units, engine-driven and turbine-driven chillers, and any other equipment Company considers acceptable in accordance with this rate schedule. (3) The term Air Conditioning shall mean the process of heating, cooling, humidifying, filtering, drying, deodorizing, or otherwise treating air in a room or building to maintain a specified temperature and/or relative humidity and/or to remove impurities. (4) The term Service Year shall mean the period November of the current calendar year through October of the calendar year immediately following the current calendar year. (5) The term Heating Season shall mean the period November through April of the Service Year. (6) The term Cooling Season shall mean the period May through October of the Service Year.</p> <p><b>METERING REQUIREMENTS</b> Company shall have installed, in accordance with the provisions of the written contract contemplated hereby, a separate meter or meters to measure natural gas used by Consumer to fuel a Prime Mover or Air Conditioning Equipment under this rate schedule.</p> <p><b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for all gas sold and delivered by Company to Consumer hereunder during a billing period shall be the sum of (i) three dollars and twenty-three cents (\$3.23) per MMBtu; plus (ii) the rate adjustment; plus (iii) applicable taxes, as all such terms are referenced in this rate schedule. If Company determines at the conclusion of a Service Year that Consumer's natural gas usage during the Heating Season of such Service Year exceeds Consumer's natural gas usage during the Cooling Season of same such Service Year, and Company does not estimate that Consumer shall use at least 50% of its natural gas during the Cooling Season of the next Service Year, Company shall move Consumer to the most appropriate natural gas service rate schedule available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move. If Consumer uses, based on Company's estimate, less than 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during a Service Year, and Company does not estimate that Consumer shall use 2,400 Mcf on an annual basis to fuel a Prime Mover or Air Conditioning Equipment during the next Service Year, Company shall immediately move Consumer to the most appropriate rate available for Consumer's consumption level and end-use, provided that Company gives Consumer at least fifteen (15) calendar days written notice of such pending move.</p> <p><b>RATE ADJUSTMENT PROVISION</b> The Net Monthly Rate provided for in this rate schedule is predicated upon the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report. To the extent that the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in the first publication of Inside F.E.R.C.'s Gas Market Report of the month in which gas is delivered by Company to Consumer hereunder increases or decreases from such index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) as reported on June 1, 1993 in Inside F.E.R.C.'s Gas Market Report, said Net Monthly Rate shall be adjusted upward or downward to reflect changes in such index posting per MMBtu. If the index posting per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) reported in Inside F.E.R.C.'s Gas Market Report is omitted from publication during any billing month, then the index posting for that billing month shall be computed as the simple average of the high and low postings per MMBtu for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas, Small Packages (less than 3,500 Mcf/day) as reported in the Inside F.E.R.C.'s Gas Market Report publication in which such index posting for Delivered Spot Gas Prices, Houston Ship Channel/Beaumont, Texas (large packages only) was omitted plus three cents (\$0.03) per MMBtu.</p> <p><b>APPLICABLE TAXES</b> The term applicable taxes shall include (i) all existing taxes, imposts, assessments or charges, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority on Company and applicable to a Consumer, and (ii) Consumer's proportionate part of any new, subsequently applicable or increased rate of any existing tax, impost, assessment or charge or subsequently applicable taxes, except ad valorem, net income and excess profits taxes, imposed or levied by any governmental authority as a result of any new or amended law or ordinance enacted after January 1, 2001, which is assessed or levied against the Company or directly affects Company's cost of operation or is added to or made a part of the cost of gas purchased by the Company.</p> <p><b>MINIMUM BILL</b> During any billing period, Company shall render to Consumer a bill for an amount not less than \$100.00 plus applicable taxes.</p> <p><b>WRITTEN CONTRACTS</b> In order to receive delivery of natural gas from Company hereunder, Consumer must execute a written Gas Sales Contract with Company for the purchase and sale of natural gas. This Gas Sales Contract must be in a form and on terms and conditions acceptable to Company.</p> <p><b>MEASUREMENT</b> The term cubic foot of gas for the purposes of measurement of the natural gas delivered and for all other purposes means the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit. The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time. The term Mcf means one thousand (1,000) cubic feet of natural gas. When positive displacement meters and/or turbine meters are used for the measurement of natural gas, the flowing temperature of the natural gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided, however, that Company shall have the option of installing a recording thermometer, and if Company exercises such options, correction shall be made for each degree variation in the applicable flowing temperature for the period under consideration. The volume of gas determined shall be adjusted for the effect of supercompressibility as follows: (1) When the flowing gas temperature is assumed to be sixty (60) degrees Fahrenheit, the</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DS      **RRC TARIFF NO:** 12068

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors of Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure at which the natural gas was measured. (2) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, Fpv, computed in accordance with the principles of the Manual for Determination of Supercompressibility Factors for Natural Gas, American Gas Association Report NX-19, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the natural gas was measured. <b>GROSS HEATING VALUE</b> The term Btu means one (1) British Thermal unit. The term MMBtu means one million (1,000,000) British thermal units. The term gross heating value means the quantity of heating Btus liberated by the complete combustion at constant pressure of one (1) cubic foot of natural gas at sixty (60) degrees Fahrenheit saturated with water vapor with the products of combustion cooled to the initial temperature of the gas and the water formed by the combustion condensed to the liquid state. The gross heating value of the gas thus obtained shall be expressed on the measurement basis set forth in this rate schedule and shall be adjusted to the Btu content of the natural gas sampled during the applicable billing period in which natural gas deliveries have been made under this rate schedule. Company shall, in accordance with the provisions of the written contract contemplated hereinabove, install or caused to be installed suitable gas measurement equipment at a location to be selected by Company and shall either (i) install a continuous gas sampling device to obtain a monthly gas sample to be used in determining the quantities of Btus or (ii) use Company's supplier's samples for determining the quantities of Btus if Company's supplier samples such gas or Btu content at an appropriate point. If Company's sample is used, the gas sample shall be analyzed, at Company's expense, on a gas chromatograph of standard make and manufacture acceptable in the gas industry and the results of such analysis shall be utilized in determining the quantity of Btus. <b>BILLING AND PAYMENT</b> The meter(s) measuring gas to Consumer will be read at intervals of about thirty (30) days, called billing periods, and bills for service during each billing period will be rendered to Consumer at Consumer's business address and are due and payable to Company within twenty (20) days of the date of such bill. In the event Consumer shall fail to pay any amount due Company when the same is due, then interest thereon shall accrue at a daily rate equal to the then current prime rate as announced by Bank of America-Dallas, plus 2% per annum from the date when such amount is due until same is paid; provided, however, such amount shall never exceed the maximum lawful rate applicable to Consumer hereunder. If such failure to pay continues for sixty (60) days, Company may suspend deliveries of gas, and the exercise of such right shall be in addition to any and all other remedies available to Company. <b>RULES AND REGULATIONS</b> Service under this natural gas rate schedule shall be furnished in accordance with the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p> <p><b>PIPELINE SAFETY INSPECTION FEE</b> Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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	\$8.3700	01/03/2007	N
<b>DESCRIPTION:</b> HOUSTON, INC.					
<b>Customer</b>	17697	**CONFIDENTIAL**			

**TYPE SERVICE PROVIDED**

<u>TYPE OF SERVICE</u>	<u>SERVICE DESCRIPTION</u>	<u>OTHER TYPE DESCRIPTION</u>
C	Industrial Sales	

**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: 3**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 11/06/1991                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 04/01/1999

**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>
3	TARKINGTON (IDS)	N	

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 3

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-62	<p><b>AVAILABILITY</b> Service under this natural gas transportation rate schedule shall be available only to a State Agency Transportation Customer, as defined in this rate schedule, where such Texas General Land Office delivers natural gas to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in the environs of Cleveland, Liberty County, Texas and served by Company. <b>APPLICATION</b> This rate schedule is applicable to gas transportation service for a State Agency Transportation Customer, where (i) a written contract or an amendment to a written contract has been executed prior to December 31, 1994 between Company and the State Agency Transportation Customer; (ii) the State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, as defined in this rate schedule, to the Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company, in its sole discretion, and Company redelivers an Equivalent Quantity of Natural Gas, as defined in this rate schedule, to a Qualified Redelivery Point, as defined in this rate schedule; and (iii) Company does not take title to or own the gas so transported. <b>NET MONTHLY RATE</b> The Net Monthly Rate for gas measured under this rate schedule shall be: (i) six hundred dollars (\$600); plus (ii) applicable taxes, as defined in this Rate Schedule. <b>APPLICABLE TAXES</b> The term applicable taxes shall mean the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes, or existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the volume, quantity, full value or gross receipts from the transportation service contemplated herein. Such applicable taxes shall be divided into two (2) components as follows: (i) the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the volume, quantity, value or gross receipts from the transportation charge as specified in the Net Monthly Transportation Rate clause hereinabove; (ii) the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the total price per MMBtu paid for natural gas by the State Agency Transportation Customer for the natural gas redelivered to the Qualified Redelivery Point, as defined in this rate schedule, which shall include (i) either the amount paid by the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas. <b>DEFINITIONS</b> 1. The term State Agency Transportation Customer shall mean a customer receiving State Royalty Gas, as defined in this rate schedule. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances of deliveries (a) from wells located on state lands or in state waters or (b) from pipelines transporting gas for the State of Texas or the State Agency Transportation Customer. 3. 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 State Agency Transportation Customer to Company on any one day. 4. The term Qualified Redelivery Point shall mean (a) a single facility of a State Agency Transportation Customer or facility located at only one location or at immediately contiguous locations served by one or more meters (b) where Company has capacity to serve a load of at least 100 Mcf per day; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day in an average month; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. <b>NATURAL GAS ACT</b> 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. <b>WRITTEN CONTRACT</b> Service under this rate schedule shall be available only pursuant to a written contract between Company and the State Agency Transportation Customer, which provides, inter alia, that the State Agency Transportation Customer agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. <b>CURTAILMENT</b> In the event of curtailment by Company of Company's customers, Company shall curtail the State Agency Transportation Customer or facility (without any liability to such State Agency Transportation Customer for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency Transportation Customer or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. <b>MEASUREMENT</b> The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. <b>BALANCING</b> The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency Transportation or facility is taking gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. <b>RULES AND REGULATIONS</b> Service under this natural gas rate schedule shall be furnished in accordance with the provisions of the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</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: 3**

**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	01/01/2007	N
<b>DESCRIPTION:</b> CLEVELAND, ENVIRONS					

**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: 7**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 08/28/1986                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 09/01/1996

**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>
8	TSLB (RICHMOND STATE SCHOOL)	N	





GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DT                      RRC TARIFF NO: 7**

**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	\$.0035	01/01/2007	N
<b>DESCRIPTION:</b> RICHMOND, ENVIRONS					

**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: 9**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 09/01/1992                      **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>
10	TSLB (UTMB - LAUNDRY)	N	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 9
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-55	<p><b>AVAILABILITY</b> Service under this natural gas transportation rate schedule shall be available only to a State Agency Transportation Customer, as defined in this rate schedule, where such State Agency Transportation Customer delivers natural gas to CENTERPOINT ENERGY ENTEX (hereinafter Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in the City of League City, Galveston County, Texas. <b>APPLICATION</b> This natural gas transportation rate schedule is applicable to gas transportation service for a State Agency Transportation Customer, where (i) a written contract or an amendment to a written contract has been executed after December 15, 1993 between Company and the State Agency Transportation Customer; (ii) the State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, as defined in this rate schedule, to the Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company, in its sole discretion, and Company redelivers an Equivalent Quantity of Natural Gas, as defined in this rate schedule, to a Qualified Redelivery Point, as defined in this rate schedule; and (iii) Company does not take title to or own the gas so transported. <b>DEFINITIONS</b> 1. The term State Agency Transportation Customer shall mean an agency of the State of Texas receiving State Royalty Gas, as defined in this rate schedule. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances of deliveries (a) from wells located on state lands or in state waters or (b) from pipelines transporting natural gas for the State of Texas or the State Agency Transportation Customer. 3. The term Equivalent Quantity of Natural Gas shall mean that quantity of natural gas which is thermally equivalent to the quantity of natural gas delivered or caused to be delivered by the State Agency Transportation Customer to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the State Agency Transportation Customer is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the State Agency Transportation Customer is located downstream of a farm tap meter station. 4. The term Qualified Redelivery Point shall mean (a) a single facility of a State Agency Transportation Customer or facility located at only one location or at immediately contiguous locations served by one or more meters (b) where Company has capacity to serve a load of at least 100 Mcf per day; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day in an average month; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. <b>NET MONTHLY TRANSPORTATION RATE</b> The Net Monthly Transportation Rate per MMBtu for gas redelivered under this rate schedule shall be an amount equal to the sum of (i) seventy-two cents (\$0.72) per MMBtu; plus (ii) applicable taxes, as defined in this rate schedule. <b>APPLICABLE TAXES</b> The term applicable taxes shall mean the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes, or existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the volume, quantity, full value or gross receipts from the transportation service contemplated herein. Such applicable taxes shall be divided into two (2) components as follows: (i) the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the volume, quantity, value or gross receipts from the transportation charge as specified in the Net Monthly Transportation Rate clause hereinabove; (ii) the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the total price per MMBtu paid for natural gas by the State Agency Transportation Customer for the natural gas redelivered to the Qualified Redelivery Point which shall include (i) either the amount paid by the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas. <b>NATURAL GAS ACT</b> Company shall not be obligated to transport any natural gas under this rate schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act. <b>WRITTEN CONTRACT</b> Service under this natural gas transportation rate schedule shall be available only pursuant to a written contract between Company and the State Agency Transportation Customer, which provides, inter alia, that the State Agency Transportation Customer agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. <b>CURTAILMENT</b> In the event of curtailment by Company of Company's customers, Company shall curtail the State Agency Transportation Customer or facility (without any liability to such State Agency Transportation Customer for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency Transportation Customer or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. <b>MEASUREMENT</b> The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. <b>BALANCING</b> The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the natural gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency Transportation or facility is taking natural gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of natural gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. <b>RULES AND REGULATIONS</b> Service under this natural gas transportation rate schedule shall be furnished in accordance with the provisions of the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DT                      RRC TARIFF NO: 9**

**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>
202	D	MMBtu	\$.0185	01/01/2007	N
<b><u>DESCRIPTION:</u> LEAGUE CITY, INC.</b>					

**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: 13**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 08/28/1986                      **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>
14	SLB (TEXAS SOUTHERN UNIVERSITY)	N	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DT                      RRC TARIFF NO: 13**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-33	<p><b>AVAILABILITY</b> Service under this Rate Schedule shall be available only to a State Agency Transportation Customer, as defined herein, where such State Agency Transportation Customer delivers natural gas to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in the City of Houston, Harris County, Texas served by the Houston Division of Company. <b>APPLICATION</b> This Rate Schedule is applicable to gas transportation service for a State Agency Transportation Customer, where (a) a written contract has been executed after July 1, 1986 between Company and the State Agency Transportation Customer; (b) the State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, as defined herein, to the Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company in its sole discretion, in or near the City of Houston, Harris County, Texas and Company redelivers an equivalent quantity of gas to a Qualified Redelivery Point as defined herein; and (c) Company does not take title to or own the gas so transported. <b>NET MONTHLY RATE</b> The State Agency Transportation customer shall pay to Company a fee per MMBtu for the transportation service provided under this Rate Schedule equal to the Net Monthly Rate per MMBtu. The Net Monthly Rate per MMBtu for gas redelivered under this Rate Schedule shall be an amount equal to the sum of: (a) \$0.90 per MMBtu, if total deliveries in a billing period are between 0 and 3,500 MMBtu (not to exceed \$3,045.00), or \$0.87 per MMBtu, if total redeliveries in a billing period are between 3,501 and 10,000 MMBtu, (not to exceed \$8,300.00), or \$0.83 per MMBtu, if total redeliveries in a billing period are between 10,001 and 45,000 MMBtu, (not to exceed \$32,400). \$0.72 per MMBtu, if total redeliveries in a period are between 45,001 and 75,000 MMBtu, (not to exceed 50,250), or \$0.67 per MMBtu, if total redeliveries in a billing period are in excess of 75,000 MMBtu; plus (b) Factor Number One, as defined herein; plus (c) Factor Number Two, as defined herein; plus (d) Factor Number Three, as defined herein. <b>DEFINITIONS</b> 1. The term State Agency Transportation Customer shall mean the Texas General Land Office and School Land Board, acting by and through the Commissioner thereof. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances of deliveries (a) from wells located on state lands or in state waters, or (b) from pipelines transporting gas for the State of Texas or the State Agency Transportation Customer. 3. The term Qualified Redelivery Point shall mean (a) a single facility of a State Agency or facility located at only one location or at immediately contiguous locations served by one or more meters in or near the City of Houston, Harris County, Texas; (b) where Company has capacity to serve a load of at least 100 Mcf per day; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day in an average month; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 4. The term Factor Number One shall operate as an adjustment clause and shall mean the full amount payable by the Company, on a per unit redelivered basis, of taxes, franchise fees or charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, and payable by Company in connection with or attributable to the volume, quantity, value or gross receipts from the transportation contemplated hereby. 5. The term Factor Number Two shall operate as an adjustment clause and shall mean an amount per MMBtu determined in accordance with the following formula: <math>FNT = (P * R) - A</math> where <math>FNT</math> = Factor Number Two; <math>P</math> = The total price per MMBtu paid for natural gas by the State Agency for the natural gas redelivered to the Qualified Redelivery Point, which shall include (i) either the amount paid to the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas; <math>R</math> = The total composite percentage rate for taxes which Company is obligated to pay (i) to the State of Texas, with respect to the location of the Qualified Redelivery Point, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and (ii) to any municipality in which the Qualified Redelivery Point is located, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and/or the Company's franchise in effect for such municipality; and <math>A</math> = The Factor Number One factor per MMBtu, as defined hereinabove. 6. The term Factor Number Three shall operate as an adjustment factor and shall mean an amount per MMBtu paid by Company to others for transportation services in connection with delivering the gas contemplated hereunder to Consumer, including applicable costs, if any, for fuel use, line loss, shortfall charges and shrinkage. <b>NATURAL GAS ACT</b> 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. <b>WRITTEN CONTRACT</b> Service under this Rate Schedule shall be available only pursuant to a written contract between Company and Customer, which provides, inter alia, that Customer agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. <b>CURTAILMENT</b> In the event of curtailment by Company of Company's customers, Company shall curtail State Agency or facility (without any liability to such State Agency for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. <b>MEASUREMENT</b> The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. <b>BALANCING</b> The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency or facility is taking gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. <b>RULES AND REGULATIONS</b> Service under the Rate Schedule is furnished in accordance with the Company's General Rules and Regulations, as amended from time to time.</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: 13**

**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	\$.0407	01/01/2007	N
<b>DESCRIPTION:</b> HOUSTON, INC.					

**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: 14**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 08/28/1986                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 09/03/1996

**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>
16	TSLB (U. OF H. - UNIV. PARK)	N	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 14

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</p>
T-44	<p>AVAILABILITY Service under this Rate Schedule shall be available only to a State Agency Transportation Customer, as defined in this Rate Schedule, where such State Agency Transportation Customer delivers natural gas to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in the City of Houston, Harris County, Texas. APPLICATION This Rate Schedule is applicable to gas transportation service for a State Agency Transportation Customer, where (i) a written contract has been executed after June 1, 1991 between Company and the State Agency Transportation Customer; (ii) the State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, as defined in this Rate Schedule, to the Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company in its sole discretion, in the City of Houston, Harris County, Texas and Company redelivers an Equivalent Quantity of Natural Gas, as defined in this Rate Schedule, to a Qualified Redelivery Point, as defined in this Rate Schedule; and (iii) Company does not take title to or own the gas so transported. NET MONTHLY TRANSPORTATION RATE The Net Monthly Transportation Rate per MMBtu for gas redelivered under this Rate Schedule shall be an amount equal to the sum of: (i) \$0.30 per MMBtu, for the first 450,000 MMBtu delivered during a twelve (12) month period beginning September 1 of the current calendar year and ending August 31 of the calendar year immediately following the current calendar year; and \$0.225 per MMBtu, for all deliveries in excess 450,000 MMBtu during a twelve (12) month period beginning September 1 of the current calendar year and ending August 31 of the calendar year immediately following the current calendar year; plus (ii) applicable taxes, as defined in this Rate Schedule. APPLICABLE TAXES The term applicable taxes shall mean the full amount payable by Company, on a per unit redelivered basis, of taxes, franchise fees or charges (including existing taxes, new taxes, or existing taxes which are subsequently determined to be applicable) levied assessed or fixed by any governmental authority against Company or its business, and payable by Company in connection with or attributable to the volume, quantity, full value, or gross receipts from the transportation service contemplated herein. Such applicable taxes shall be divided into two (2) components as follows: (i) the full amount payable by Company, on a per unit redelivered basis, of taxes, franchise fees or charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, and payable by Company in connection with or attributable to the volume, quantity, value or gross receipts from the transportation charge as specified in the Net Monthly Transportation Rate clause hereinabove. (ii) the full amount payable by Company, on a per unit redelivered basis, of taxes, franchise fees or charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, and payable by Company in connection with or attributable to the total price per MMBtu paid for natural gas by the State Agency for the natural gas redelivered to the Qualified Redelivery Point, as defined in this Rate Schedule, which shall include (i) either the amount paid to the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas. DEFINITIONS 1. The term State Agency Transportation Customer shall mean an agency of the State of Texas purchased State Royalty Gas, as defined in this Rate Schedule. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances of deliveries (a) from wells located on state lands or in state waters, or (b) from pipelines transporting gas for the State of Texas or the State Agency Transportation Customer. 3. 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 State Agency Transportation Customer to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the State Agency Transportation Customer is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the State Agency Transportation Customer is located downstream of a farm tap meter station. 4. The term Qualified Redelivery Point shall mean (a) a single facility of a State Agency or facility located at only one location or at immediately contiguous locations served by one or more meters in the city of Houston, Harris County, Texas (b) where Company has capacity to serve a load of at least 500 Mcf per day; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 500 Mcf per day in an average month; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 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. WRITTEN CONTRACT Service under this Rate Schedule shall be available only pursuant to a written contract between Company and Customer, which provides, inter alia, that Customer 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 State Agency or facility (without any liability to such State Agency for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. MEASUREMENT The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. BALANCING The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency or facility is taking gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. RULES AND REGULATIONS Service under this natural gas rate schedule shall be furnished in accordance with the provisions of the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 14

**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	\$.0141	01/01/2007	N
<b>DESCRIPTION:</b> HOUSTON, INC.					

**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: 16**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/01/1986                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:**                      **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>
18	TSLB (RUSK STATE SCHOOL)	N	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 16

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-27	<p>AVAILABILITY Service under this Rate Schedule shall be available only to a State Agency Transportation Customer, as defined herein, where such State Agency Transportation Customer delivers natural gas to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in or near the City of Rusk, Cherokee County, Texas served by the East Texas Division of Company. APPLICATION This Rate Schedule is applicable to gas transportation service for a State Agency Transportation Customer, where (a) a written contract has been executed after July 1, 1986, between Company and the State Agency Transportation Customer; (b) the State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, as defined herein, to the Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company in its sole discretion, in or near the City of Rusk, Cherokee County, Texas and Company redelivers an equivalent quantity of gas to a Qualified Redelivery Point as defined herein; and (c) Company does not take title to or own the gas so transported. NET MONTHLY RATE The State Agency Transportation customer shall pay to Company a fee per MMBtu for the transportation service provided under this Rate Schedule equal to the Net Monthly Rate per MMBtu. The Net Monthly Rate per MMBtu for gas redelivered under this Rate Schedule shall be an amount equal to the sum of (a) forty-five cents (\$0.45) per MMBtu; plus (b) Factor Number One, as defined herein; plus (c) Factor Number Two, as defined herein; plus (d) Factor Number Three, as defined herein. DEFINITIONS 1. The term State Agency Transportation Customer shall mean the Texas General Land Office and School Land Board, acting by and through the Commissioner thereof. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances of deliveries (a) from wells located on state lands or in state waters, or (b) from pipelines transporting gas for the State of Texas or the State Agency Transportation Customer. 3. The term Qualified Redelivery Point shall mean (a) a single facility of a State Agency or facility located at only one location or at immediately contiguous locations served by one or more meters in or near the City of Rusk, Cherokee County, Texas; (b) where Company has capacity to serve a load of at least 100 Mcf per day; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day in an average month; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 4. The term Factor Number One shall operate as an adjustment clause and shall mean the full amount payable by the Company, on a per unit redelivered basis, of taxes, franchise fees or charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, and payable by Company in connection with or attributable to the volume, quantity, value or gross receipts from the transportation contemplated hereby. 5. The term Factor Number Two shall operate as an adjustment clause and shall mean an amount per MMBtu determined in accordance with the following formula: <math>FNT = (P * R) - A</math> where <math>FNT =</math> Factor Number Two; <math>P =</math> The total price per MMBtu paid for natural gas by the State Agency for the natural gas redelivered to the Qualified Redelivery Point, which shall include (i) either the amount paid to the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas; <math>R =</math> The total composite percentage rate for taxes which Company is obligated to pay (i) to the State of Texas, with respect to the location of the Qualified Redelivery Point, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and (ii) to any municipality in which the Qualified Redelivery Point is located, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and/or the Company's franchise in effect for such municipality; and <math>A =</math> The Factor Number One factor per MMBtu, as defined hereinabove. 6. The term Factor Number Three shall operate as an adjustment factor and shall mean an amount per MMBtu paid by Company to others for transportation services in connection with delivering the gas contemplated hereunder to Consumer, including applicable costs, if any, for fuel use, line loss, shortfall charges and shrinkage. 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. WRITTEN CONTRACT Service under this Rate Schedule shall be available only pursuant to a written contract between Company and Customer, which provides, inter alia, that Customer 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 State Agency or facility (without any liability to such State Agency for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. MEASUREMENT The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. BALANCING The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency or facility is taking gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. RULES AND REGULATIONS Service under the Rate Schedule is furnished in accordance with the Company's General Rules and Regulations, as amended from time to time.</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: 16**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
302	D	MMBtu	\$.0115	01/01/2007	N
<b>DESCRIPTION:</b> RUSK, INC.					

**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: 18**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 08/01/1986                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 09/03/1996

**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>
21	TSLB (LUFKIN STATE SCHOOL)	N	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 18

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-30	<p><b>AVAILABILITY</b> Service under this Rate Schedule shall be available only to a State Agency Transportation Customer, as defined herein, where such State Agency Transportation Customer delivers natural gas to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in the unincorporated environs of Lufkin, Angelina County, Texas served by the East Texas Division of Company. <b>APPLICATION</b> This Rate Schedule is applicable to gas transportation service for a State Agency Transportation Customer, where (a) a written contract has been executed after July 1, 1986, between Company and the State Agency Transportation Customer; (b) the State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, as defined herein, to the Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company in its sole discretion, in or near the City of Lufkin, Angelina County, Texas and Company redelivers an equivalent quantity of gas to a Qualified Redelivery Point as defined herein; and (c) Company does not take title to or own the gas so transported. <b>NET MONTHLY RATE</b> The State Agency Transportation customer shall pay to Company a fee per MMBtu for the transportation service provided under this Rate Schedule equal to the Net Monthly Rate per MMBtu. The Net Monthly Rate per MMBtu for gas redelivered under this Rate Schedule shall be an amount equal to the sum of (a) fifty-two cents (\$0.52) per MMBtu; plus (b) Factor Number One, as defined herein; plus (c) Factor Number Two, as defined herein; plus (d) Factor Number Three, as defined herein. <b>DEFINITIONS</b> 1. The term State Agency Transportation Customer shall mean the Texas General Land Office and School Land Board, acting by and through the Commissioner thereof. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances of deliveries (a) from wells located on state lands or in state waters, or (b) from pipelines transporting gas for the State of Texas or the State Agency Transportation Customer. 3. The term Qualified Redelivery Point shall mean (a) a single facility of a State Agency or facility located at only one location or at immediately contiguous locations served by one or more meters in or near the City of Lufkin, Angelina County, Texas; (b) where Company has capacity to serve a load of at least 100 Mcf per day; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day in an average month; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 4. The term Factor Number One shall operate as an adjustment clause and shall mean the full amount payable by the Company, on a per unit redelivered basis, of taxes, franchise fees or charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, and payable by Company in connection with or attributable to the volume, quantity, value or gross receipts from the transportation contemplated hereby. 5. The term Factor Number Two shall operate as an adjustment clause and shall mean an amount per MMBtu determined in accordance with the following formula: <math>FNT = (P * R) - A</math> where <math>FNT =</math> Factor Number Two; <math>P =</math> The total price per MMBtu paid for natural gas by the State Agency for the natural gas redelivered to the Qualified Redelivery Point, which shall include (i) either the amount paid to the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas; <math>R =</math> The total composite percentage rate for taxes which Company is obligated to pay (i) to the State of Texas, with respect to the location of the Qualified Redelivery Point, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and (ii) to any municipality in which the Qualified Redelivery Point is located, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and/or the Company's franchise in effect for such municipality; and <math>A =</math> The Factor Number One factor per MMBtu, as defined hereinabove. 6. The term Factor Number Three shall operate as an adjustment factor and shall mean an amount per MMBtu paid by Company to others for transportation services in connection with delivering the gas contemplated hereunder to Consumer, including applicable costs, if any, for fuel use, line loss, shortfall charges and shrinkage. <b>NATURAL GAS ACT</b> 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. <b>WRITTEN CONTRACT</b> Service under this Rate Schedule shall be available only pursuant to a written contract between Company and Customer, which provides, inter alia, that Customer agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. <b>CURTAILMENT</b> In the event of curtailment by Company of Company's customers, Company shall curtail State Agency or facility (without any liability to such State Agency for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. <b>MEASUREMENT</b> The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. <b>BALANCING</b> The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency or facility is taking gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. <b>RULES AND REGULATIONS</b> Service under the Rate Schedule is furnished in accordance with the Company's General Rules and Regulations, as amended from time to time.</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: 18**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
216	D	MMBtu	\$.0026	01/01/2007	N
<b>DESCRIPTION:</b> LUFKIN, ENVIRONS					

**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: 20**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 01/15/1991                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 01/12/1994

**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>
23	TSLB (TYLER JUNIOR COLLEGE)	N	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DT**                      **RRC TARIFF NO: 20**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</p>
T-42	<p>AVAILABILITY Service under this Rate Schedule shall be available only to a State Agency Transportation Customer, as defined herein, where such State Agency Transportation Customer delivers natural gas to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in or near the City of Tyler, Smith County, Texas. APPLICATION This Rate Schedule is applicable to gas transportation service for a State Agency Transportation Customer, as defined herein, where (i) a written contract has been executed after July 15, 1990 between Company and such State Agency Transportation Customer; (ii) such State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, as defined herein, to Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company in its sole discretion, in or near the City of Tyler, Smith County, Texas and Company redelivers an equivalent quantity of gas to a Qualified Redelivery Point as defined herein; and (iii) Company does not take title to or own the gas so transported. NET MONTHLY RATE The State Agency Transportation Customer shall pay to Company a fee per MMBtu for the transportation service provided under this Rate Schedule equal to the Net Monthly Rate per MMBtu. The Net Monthly Rate per MMBtu for gas redelivered under this Rate Schedule shall be an amount equal to the sum of (i) sixty-two cents (\$0.62) per MMBtu; plus (ii) Factor Number One, as defined herein; plus (iii) Factor Number Two, as defined herein; plus (iv) Factor Number Three, as defined herein. MINIMUM BILL Company shall never render to such State Agency Transportation Customer a bill of less than \$1,000.00 plus applicable taxes for transportation fees, and such State Agency Transportation Customer shall never pay a bill of less than \$1,000.00 plus applicable taxes. DEFINITIONS 1. The term State Agency Transportation Customer shall mean the Texas General Land Office and School Land Board, acting by and through the Commissioner thereof. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances of deliveries from wells located on state lands or in state waters or from pipelines transporting gas for the State of Texas or the State Agency Transportation Customer. 3. The term Qualified Redelivery Point shall mean a single facility of a State Agency or facility located at only one location or at immediately contiguous locations served by one or more meters in or near the City of Tyler, Smith County, Texas (i) where Company has capacity to serve a load of at least 100 MCF per day; (ii) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 MCF per day in an average month; and (iii) where the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. ISSUED 03-24-00 TRANSMITTAL NO. RB-12 TARIFF NO. TN-5617-DT-20 Volume C Section II Page No. TR-20-24 CENTERPOINT ENERGY ENTEX LARGE VOLUME STATE AGENCY TRANSPORTATION SERVICE RATE SCHEDULE NO. T-42 DEFINITIONS cont'd. 4. The term Factor Number One shall operate as an adjustment clause and shall mean the full amount payable by the Company, on a per unit redelivered basis, of taxes, franchise fees or charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, and payable by Company in connection with or attributable to the volume, quantity, value or gross receipts from the transportation contemplated hereby. 5. The term Factor Number Two shall operate as an adjustment clause and shall mean an amount per MMBtu determined in accordance with the following formula: <math>FNT = (P * R) - A</math> where FNT = Factor Number Two; P = The total price per MMBtu paid for natural gas by the State Agency for the natural gas redelivered to the Qualified Redelivery Point, which shall include (i) either the amount paid to the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas; R = The total composite percentage rate for taxes which Company is obligated to pay (i) to the State of Texas, with respect to the location of the Qualified Redelivery Point, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and (ii) to any municipality in which the Qualified Redelivery Point is located, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and/or the Company's franchise in effect for such municipality; and A = The Factor Number One factor per MMBtu, as defined hereinabove. 6. The term Factor Number Three shall operate as an adjustment factor and shall mean an amount per MMBtu paid by Company to others for transportation services in connection with delivering the gas contemplated hereunder to such State Agency Transportation Customer, including applicable costs, if any, for fuel use, line loss, shortfall charges and shrinkage. 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. WRITTEN CONTRACT Service under this Rate Schedule shall be available only pursuant to a written contract between Company and such State Agency Transportation Customer, which provides, inter alia, that such State Agency Transportation Customer agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. ISSUED 03-24-00 TRANSMITTAL NO. RB-12 TARIFF NO. TN-5617-DT-20 Volume C Section II Page No. TR-20-25 CENTERPOINT ENERGY ENTEX LARGE VOLUME STATE AGENCY TRANSPORTATION SERVICE RATE SCHEDULE NO. T-42 CURTAILMENT In the event of curtailment by Company of Company's customers, Company shall curtail State Agency or facility (without any liability to such State Agency for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. MEASUREMENT The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. BALANCING The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency or facility is taking gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. RULES AND REGULATIONS Service under the Rate Schedule is furnished in accordance with the written contract contemplated hereby and Company's General Rules and Regulations, as amended from time to time</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 20

**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	\$.0292	01/01/2007	N
<b>DESCRIPTION:</b> TYLER, INC.					

**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: 23**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 08/28/1986                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 09/03/1996

**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>
29	TSLB (TEXAS A & M UNIVERSITY)	N	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DT                      RRC TARIFF NO: 23**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-32	<p><b>AVAILABILITY</b> Service under this Rate Schedule shall be available only to a State Agency Transportation Customer, as defined herein, where such State Agency Transportation Customer delivers natural gas to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in the City of Kingsville, Kleberg County, Texas served by the South Texas Division of Company.. <b>APPLICATION</b> This Rate Schedule is applicable to gas transportation service for a State Agency Transportation Customer, where (a) a written contract has been executed after July 1, 1986 between Company and the State Agency Transportation Customer; (b) the State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, as defined herein, to the Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company in its sole discretion, in or near the City of Kingsville, Kleberg County, Texas and Company redelivers an equivalent quantity of gas to a Qualified Redelivery Point as defined herein; and (c) Company does not take title to or own the gas so transported. <b>NET MONTHLY RATE</b> The State Agency Transportation customer shall pay to Company a fee per MMBtu for the transportation service provided under this Rate Schedule equal to the Net Monthly Rate per MMBtu. The Net Monthly Rate per MMBtu for gas redelivered under this Rate Schedule shall be an amount equal to the sum of (a) sixty-four cents (\$0.64) per MMBtu; plus (b) Factor Number One, as defined herein; plus (c) Factor Number Two, as defined herein; plus (d) Factor Number Three, as defined herein. <b>DEFINITIONS</b> 1. The term State Agency Transportation Customer shall mean the Texas General Land Office and School Land Board, acting by and through the Commissioner thereof. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances or deliveries (a) from wells located on state lands or in state waters, or (b) from pipelines transporting gas for the State of Texas or the State Agency Transportation Customer. 3. The term Qualified Redelivery Point shall mean (a) a single facility of a State Agency or facility located at only one location or at immediately contiguous locations served by one or more meters in or near the City of Kingsville, Kleberg County, Texas; (b) where Company has capacity to serve a load of at least 100 Mcf per day; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day in an average month; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 4. The term Factor Number One shall operate as an adjustment clause and shall mean the full amount payable by the Company, on a per unit redelivered basis, of taxes, franchise fees or charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, and payable by Company in connection with or attributable to the volume, quantity, value or gross receipts from the transportation contemplated hereby. 5. The term Factor Number Two shall operate as an adjustment clause and shall mean an amount per MMBtu determined in accordance with the following formula: <math>FNT = (P * R) - A</math> where <math>FNT =</math> Factor Number Two; <math>P =</math> The total price per MMBtu paid for natural gas by the State Agency for the natural gas redelivered to the Qualified Redelivery Point, which shall include (i) either the amount paid to the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas; <math>R =</math> The total composite percentage rate for taxes which Company is obligated to pay (i) to the State of Texas, with respect to the location of the Qualified Redelivery Point, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and (ii) to any municipality in which the Qualified Redelivery Point is located, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and/or the Company's franchise in effect for such municipality; and <math>A =</math> The Factor Number One factor per MMBtu, as defined hereinabove. 6. The term Factor Number Three shall operate as an adjustment factor and shall mean an amount per MMBtu paid by Company to others for transportation services in connection with delivering the gas contemplated hereunder to Consumer, including applicable costs, if any, for fuel use, line loss, shortfall charges and shrinkage. <b>NATURAL GAS ACT</b> 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. <b>WRITTEN CONTRACT</b> Service under this Rate Schedule shall be available only pursuant to a written contract between Company and Customer, which provides, inter alia, that Customer agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. <b>CURTAILMENT</b> In the event of curtailment by Company of Company's customers, Company shall curtail State Agency or facility (without any liability to such State Agency for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. <b>MEASUREMENT</b> The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. <b>BALANCING</b> The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency or facility is taking gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. <b>RULES AND REGULATIONS</b> Service under the Rate Schedule is furnished in accordance with the Company General Rules and Regulations, as amended from time to time.</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: 23**

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
183	D	MMBtu	\$.0032	01/01/2007	N
<b>DESCRIPTION:</b> KINGSVILLE, INC.					

**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: 24**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 09/01/1992                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 10/01/1999

**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>
30	UT MD ANDERSON CANCER CENTER	N	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 24

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</p>
T-60	<p><b>AVAILABILITY</b> Service under this natural gas transportation rate schedule shall be available only to a State Agency Transportation Customer, as defined in this rate schedule, where such State Agency Transportation Customer delivers natural gas to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in the state of Texas and served by Company. <b>APPLICATION</b> This rate schedule is applicable to gas transportation service for a State Agency Transportation Customer, where (i) a written contract or an amendment to a written contract has been executed after June 1, 1999 between Company and the State Agency Transportation Customer; (ii) the State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, as defined in this rate schedule, to the Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company, in its sole discretion, and Company redelivers an Equivalent Quantity of Natural Gas, as defined in this rate schedule, to a Qualified Redelivery Point, as defined in this rate schedule; and (iii) Company does not take title to or own the gas so transported. <b>NET MONTHLY TRANSPORTATION RATE</b> The Net Monthly Rate per MMBtu for all gas transported and delivered by Company to State Agency Transportation Customer hereunder during a billing period shall be the sum of: (i) \$0.95 per MMBtu, if total deliveries are between 0 and 4,000 MMBtu in a billing period (not to exceed \$2,560.64) or \$0.64 per MMBtu, if total deliveries are between 4,001 and 12,000 MMBtu in a billing period (not to exceed \$5,760.48) or \$0.48 per MMBtu, if total deliveries exceed 12,000 MMBtu in a billing period; plus (ii) applicable taxes, as defined in this rate schedule. <b>MINIMUM BILL</b> During any billing period, Company shall render to State Agency Transportation Customer a bill for an amount not less than \$500.00 plus applicable taxes. <b>APPLICABLE TAXES</b> The term applicable taxes shall mean the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes, or existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the volume, quantity, full value or gross receipts from the transportation service contemplated herein. Such applicable taxes shall be divided into two (2) components as follows: (i) the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the volume, quantity, value or gross receipts from the transportation charge as specified in the Net Monthly Transportation Rate clause hereinabove; (ii) the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the total price per MMBtu paid for natural gas by the State Agency Transportation Customer for the natural gas redelivered to the Qualified Redelivery Point, as defined in this rate schedule, which shall include (i) either the amount paid by the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas. <b>DEFINITIONS</b> 1. The term State Agency Transportation Customer shall mean an agency of the State of Texas receiving State Royalty Gas, as defined in this rate schedule. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances of deliveries (a) from wells located on state lands or in state waters or (b) from pipelines transporting gas for the State of Texas or the State Agency Transportation Customer. 3. 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 State Agency Transportation Customer to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the State Agency Transportation Customer is located downstream of a city gate meter station. 4. The term Qualified Redelivery Point shall mean (a) a single facility of a State Agency Transportation Customer or facility located at only one location or at immediately contiguous locations served by one or more meters (b) where Company has capacity to serve a load of at least 100 Mcf per day; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day in an average month; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. <b>NATURAL GAS ACT</b> 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. <b>WRITTEN CONTRACT</b> Service under this rate schedule shall be available only pursuant to a written contract between Company and the State Agency Transportation Customer, which provides, inter alia, that the State Agency Transportation Customer agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. <b>CURTAILMENT</b> In the event of curtailment by Company of Company's customers, Company shall curtail the State Agency Transportation Customer or facility (without any liability to such State Agency Transportation Customer for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency Transportation Customer or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. <b>MEASUREMENT</b> The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. <b>BALANCING</b> The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency Transportation or facility is taking gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. <b>RULES AND REGULATIONS</b> Service under this natural gas rate schedule shall be furnished in accordance with the provisions of the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 24

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	inspection at Company's office.

**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>
335	D	MMBtu	\$.0000	01/01/2007	N
<b>DESCRIPTION:</b> SMITHVILLE, INC.					

**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: 7153**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 08/28/1986                      **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>
15	TSLB (U.T. - M.D. ANDERSON)	N	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 7153

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-33	<p><b>AVAILABILITY</b> Service under this Rate Schedule shall be available only to a State Agency Transportation Customer, as defined herein, where such State Agency Transportation Customer delivers natural gas to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in the City of Houston, Harris County, Texas served by the Houston Division of Company. <b>APPLICATION</b> This Rate Schedule is applicable to gas transportation service for a State Agency Transportation Customer, where (a) a written contract has been executed after July 1, 1986 between Company and the State Agency Transportation Customer; (b) the State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, as defined herein, to the Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company in its sole discretion, in or near the City of Houston, Harris County, Texas and Company redelivers an equivalent quantity of gas to a Qualified Redelivery Point as defined herein; and (c) Company does not take title to or own the gas so transported. <b>NET MONTHLY RATE</b> The State Agency Transportation customer shall pay to Company a fee per MMBtu for the transportation service provided under this Rate Schedule equal to the Net Monthly Rate per MMBtu. The Net Monthly Rate per MMBtu for gas redelivered under this Rate Schedule shall be an amount equal to the sum of: (a) \$0.90 per MMBtu, if total deliveries in a billing period are between 0 and 3,500 MMBtu (not to exceed \$3,045.00), or \$0.87 per MMBtu, if total redeliveries in a billing period are between 3,501 and 10,000 MMBtu, (not to exceed \$8,300.00), or \$0.83 per MMBtu, if total redeliveries in a billing period are between 10,001 and 45,000 MMBtu, (not to exceed \$32,400). \$0.72 per MMBtu, if total redeliveries in a period are between 45,001 and 75,000 MMBtu, (not to exceed 50,250), or \$0.67 per MMBtu, if total redeliveries in a billing period are in excess of 75,000 MMBtu; plus (b) Factor Number One, as defined herein; plus (c) Factor Number Two, as defined herein; plus (d) Factor Number Three, as defined herein. <b>DEFINITIONS</b> 1. The term State Agency Transportation Customer shall mean the Texas General Land Office and School Land Board, acting by and through the Commissioner thereof. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances of deliveries (a) from wells located on state lands or in state waters, or (b) from pipelines transporting gas for the State of Texas or the State Agency Transportation Customer. 3. The term Qualified Redelivery Point shall mean (a) a single facility of a State Agency or facility located at only one location or at immediately contiguous locations served by one or more meters in or near the City of Houston, Harris County, Texas; (b) where Company has capacity to serve a load of at least 100 Mcf per day; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 100 Mcf per day in an average month; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 4. The term Factor Number One shall operate as an adjustment clause and shall mean the full amount payable by the Company, on a per unit redelivered basis, of taxes, franchise fees or charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, and payable by Company in connection with or attributable to the volume, quantity, value or gross receipts from the transportation contemplated hereby. 5. The term Factor Number Two shall operate as an adjustment clause and shall mean an amount per MMBtu determined in accordance with the following formula: <math>FNT = (P * R) - A</math> where <math>FNT</math> = Factor Number Two; <math>P</math> = The total price per MMBtu paid for natural gas by the State Agency for the natural gas redelivered to the Qualified Redelivery Point, which shall include (i) either the amount paid to the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas; <math>R</math> = The total composite percentage rate for taxes which Company is obligated to pay (i) to the State of Texas, with respect to the location of the Qualified Redelivery Point, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and (ii) to any municipality in which the Qualified Redelivery Point is located, pursuant to Tex. Tax Code Section 182.021 et seq (and any subsequently enacted statute, or any subsequently effective statute) and/or the Company's franchise in effect for such municipality; and <math>A</math> = The Factor Number One factor per MMBtu, as defined hereinabove. 6. The term Factor Number Three shall operate as an adjustment factor and shall mean an amount per MMBtu paid by Company to others for transportation services in connection with delivering the gas contemplated hereunder to Consumer, including applicable costs, if any, for fuel use, line loss, shortfall charges and shrinkage. <b>NATURAL GAS ACT</b> 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. <b>WRITTEN CONTRACT</b> Service under this Rate Schedule shall be available only pursuant to a written contract between Company and Customer, which provides, inter alia, that Customer agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires. <b>CURTAILMENT</b> In the event of curtailment by Company of Company's customers, Company shall curtail State Agency or facility (without any liability to such State Agency for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. <b>MEASUREMENT</b> The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. <b>BALANCING</b> The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency or facility is taking gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. <b>RULES AND REGULATIONS</b> Service under the Rate Schedule is furnished in accordance with the Company's General Rules and Regulations, as amended from time to time.</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: 7153**

**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	\$.0410	01/01/2007	N
<b>DESCRIPTION:</b> HOUSTON, INC.					

**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:** 7565

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 03/28/2002      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:** 03/31/2003

**INACTIVE DATE:**      **AMENDMENT DATE:**

**CONTRACT COMMENT:** EVERGREEN

**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>
8762	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-026A	\$40.00 Customer Charge First 3,000 MMBtu @ 0.820 / MMBtu Next 2,000 MMBtu @ 0.315 / MMBtu Over 5,000 MMBtu @ 0.170 / MMBtu plus Demand Charge \$0.370 / MMBtu plus distribution fuel calculated as [actual delivered volume / (1 - 3%)] - actual delivered volume

**RATE ADJUSTMENT PROVISIONS:**

Applicable cash-out index price (NGT: Natural Gas Intelligence Price Index or MRT: Natural Gas Weekly Price Index) & Upstream commodity charges

**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	\$ .1926	01/01/2007	N

**DESCRIPTION:** LONE STAR

**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: 7582**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 04/01/1995                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:**                      **TERM OF CONTRACT DATE:** 03/31/1997

**INACTIVE DATE:**                      **AMENDMENT DATE:** 07/05/1996

**CONTRACT COMMENT:** EVERGREEN

**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>
8815	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-016A	Customer Charge \$50.00 First 10,000 MMBtu @ \$0.520 / MMBtu Next 10,000 MMBtu @ \$0.310 / MMBtu Over 20,000 MMBtu @ \$0.200 / MMBtu plus Demand Charge @ \$0.37 / MMBtu plus distribution fuel calculated as [actual delivered volume / (1 - 3%)] - actual delivered volume

**RATE ADJUSTMENT PROVISIONS:**

Applicable cash-out index price (NGT: Natural Gas Intelligence Price Index or MRT: Natural Gas Weekly Price Index) & Upstream commodity charges

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
34653	D	MMBtu	\$4339	01/01/2007	N

**DESCRIPTION:** DANGERFIELD

**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:** 7597

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:** 08/17/1998      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:**      **TERM OF CONTRACT DATE:** 03/01/2007

**INACTIVE DATE:**      **AMENDMENT DATE:** 03/01/2006

**CONTRACT COMMENT:** EVERGREEN

**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>
8816	**CONFIDENTIAL**	Y	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-025B	Customer Charge \$1,000 / month \$0.018 / MMBtu

**RATE ADJUSTMENT PROVISIONS:**

Applicable cash-out index price (NGT: Natural Gas Intelligence Price Index or MRT: Natural Gas Weekly Price Index) & Upstream commodity charges

**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
34649	D	MMBtu	\$0.0721	01/01/2007	N

**DESCRIPTION:** MT. PLEASANT

**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: 11155**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

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

**INACTIVE DATE:**                      **AMENDMENT DATE:** 04/01/2008

**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>
24865	CES	N	

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 11155

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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.</p> <p>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>
T-65 Rider 1-4	<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 after April 1, 2007, 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, 500,000 MMBtu's or more of natural gas annually. This Rider will expire and shall not be available or applicable to any transportation service provided by Company on and after April 1, 2010.</p> <p>NET MONTHLY RATE Under this rider, the Net Monthly Rate per MMBtu for all gas transported in excess of 6,000 MMBtu in a month shall be the sum of: (i) \$0.02 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.</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>
Tnspt Terms T-65 A	<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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 11155
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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. 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 11155
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 not 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 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,</p>



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	<p>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-65 B</p>	<p>Continuation from Tnspt Terms T-65 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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</p>

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	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</p>



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	<p>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, 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</p>

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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>
42987	D	MMBtu	\$.0000	06/01/2004	N
<b>DESCRIPTION:</b> DIBOLL, INC.					

**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: 16140**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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.</p> <p>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>Tnspt Terms T-65 A</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</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>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 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 not 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</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>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 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 16140
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
Tnspt Terms T-65 B	<p>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-65 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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,</p>

GAS SERVICES DIVISION  
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**CURRENT RATE COMPONENT**

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	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</p>



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	<p>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 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,</p>

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	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.

**RATE ADJUSTMENT PROVISIONS:**

None

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<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 16140
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**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	06/01/2004	N
<b><u>DESCRIPTION:</u></b> BEAUMONT, INC.					
48	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> CARTHAGE, ENVIRONS					
60	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> CLEVELAND, ENVIRONS					
78	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> DAYTON, ENVIRONS					
96	D	MMBtu	\$.0000	05/01/2006	N
<b><u>DESCRIPTION:</u></b> EL CAMPO, ENVIRONS					
155	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> HUNTSVILLE, INC.					
234	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> NACOGDOCHES, INC.					
252	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> ORANGE, ENVIRONS					
302	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> RUSK, INC.					
359	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> TYLER, INC.					
42967	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> AMES, ENVIRONS					
42969	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> BASTROP, ENVIRONS					
42971	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> BEAUMONT, ENVIRONS					
42976	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> CENTER, ENVIRONS					
42977	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> CENTER, INC.					
42978	D	MMBtu	\$.0000	04/01/2008	N
<b><u>DESCRIPTION:</u></b> CHEEK, ENVIRONS					
42982	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> CORRIGAN, ENVIRONS					
42983	D	MMBtu	\$.0000	05/01/2007	N
<b><u>DESCRIPTION:</u></b> CORRIGAN, INC.					

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**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
42985	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> DAYTON, INC.					
42987	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> DIBOLL, INC.					
42989	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> GLADEWATER, INC.					
42990	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> HENDERSON, ENVIRONS					
42991	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> HENDERSON, INC.					
42992	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> HONDO, ENVIRONS					
42994	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> HUNTSVILLE, ENVIRONS					
42997	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> JACKSONVILLE, INC.					
42999	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> JASPER, INC.					
43001	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> KENEDY, INC.					
43003	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> LAREDO, INC.					
43004	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> LATEXO, ENVIRONS					
43005	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> LATEXO, INC.					
43006	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> LONGVIEW, ENVIRONS					
43009	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> LUFKIN, INC.					
43011	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> MARSHALL, INC.					
43012	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> NACAGDOCHES, ENVIRONS					
43013	D	MMBtu	\$.0000	06/01/2004	N
<b><u>DESCRIPTION:</u></b> NEW BRAUNFELS, ENVIRONS					

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

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**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43014	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> NEW BRAUNFELS, INC.					
43019	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> SAN MARCOS, INC.					
43021	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> SCHULENBURG, INC.					
43023	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> SEGUIN, INC.					
43025	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> SELMA, INC.					
43026	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> SILSBEE, ENVIRONS					
43028	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> TENAHA, ENVIRONS					
43030	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> TYLER, ENVIRONS					
43033	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> VICTORIA, INC.					
43035	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> WEIMER, INC.					
55674	D	MMBtu	\$ .0000	04/01/2005	N
<b>DESCRIPTION:</b> EL CAMPO, INC.					
58922	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> CAMP GARY, Environs					
58927	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> GRAPELAND, INC.					
68834	D	MMBtu	\$ .0000	04/01/2008	N
<b>DESCRIPTION:</b> HALLETTSVILLE, INC.					
68964	D	MMBtu	\$ .0000	01/01/2008	N
<b>DESCRIPTION:</b> PINEHURST, INC.					

**TYPE SERVICE PROVIDED**

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

## GAS SERVICES DIVISION

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

**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.

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**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:** 04/09/2009

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

**INACTIVE DATE:**                      **AMENDMENT DATE:** 03/01/2007

**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	

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<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 16143
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-65	<p><b>AVAILABILITY</b> 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><b>APPLICATION</b> This Rate Schedule is applicable to gas transportation service, where (a) a written Transportation Service Agreement (Agreement) 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. <b>DEFINITIONS</b> 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. <b>NET MONTHLY RATE</b> The Net Monthly Rate for gas transported under this Rate Schedule shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms. <b>PAYMENTS TO GOVERNMENTAL AUTHORITIES</b> 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. <b>OTHER CHARGES</b> 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. <b>BILLING AND PAYMENT</b> 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. <b>NATURAL GAS ACT</b> 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. <b>WRITTEN SERVICE AGREEMENT</b> 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. <b>CURTAILMENT</b> 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). <b>MEASUREMENT</b> 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. <b>GENERAL TERMS AND CONDITIONS</b> 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-65 A</p> <p>1. <b>APPLICABILITY</b> 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. <b>DEFINITIONS</b> 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</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 16143
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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 not 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</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>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 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
Tnspt Terms T-65 B	<p>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-65 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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,</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 16143
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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,</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

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**CURRENT RATE COMPONENT**

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	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.

**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	11/01/2005	N
<b>DESCRIPTION:</b> LUFKIN, INC.					
43019	D	MMBtu	\$ .0000	06/01/2004	N
<b>DESCRIPTION:</b> SAN MARCOS, INC.					

**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: 16144**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 04/01/2005                      **TERM OF CONTRACT DATE:**

**INACTIVE DATE:**                      **AMENDMENT DATE:** 10/01/2008

**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>
24865	CES	N	

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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.</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 shall be a monthly service charge of \$1,000.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) First 3,000 MMBtu @ \$0.40 per MMBtu Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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>
Tnspt Terms T-69 A	<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</p>



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	<p>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 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 not 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</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>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 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 16144
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
Tnspt Terms T-69 B	<p>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-69 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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,</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>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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**CURRENT RATE COMPONENT**

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	<p>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 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,</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>
	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.

**RATE ADJUSTMENT PROVISIONS:**

None

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

<b>RRC COID: 6263</b>	<b>COMPANY NAME: CENTERPOINT ENERGY ENTEX</b>
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<b>TARIFF CODE: DT</b>	<b>RRC TARIFF NO: 16144</b>
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**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
<b><u>DESCRIPTION:</u></b> ANGLETON, ENVIRONS					
149	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> HOUSTON, INC.					
150	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> HOUSTON, ENVIRONS					
155	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> HUNTSVILLE, INC.					
352	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> TEXAS CITY, INC.					
55670	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> SUGAR LAND, INC.					
55671	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> TEXAS CITY, ENVIRONS					
55672	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> DICKINSON, INC.					
55675	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> RICHMOND, INC.					
55678	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> LA PORTE, ENVIRONS					
58916	D	MMBtu	\$.0000	02/01/2008	N
<b><u>DESCRIPTION:</u></b> ROSHARON, ENVIRONS					
58921	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> ALVIN, INC.					
58923	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> CHANNEL AREA, ENVIRONS					
58924	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> CONROE, INC.					
58925	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> CROSBY, INC.					
58926	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> DEER PARK, INC.					
58928	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> HUMBLE, INC.					
58929	D	MMBtu	\$.0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> MONTGOMERY COUNTY, ENVIRONS					



GAS SERVICES DIVISION

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

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**DELIVERY POINTS**

<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
58930	D	MMBtu	\$ .0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> PASADENA, INC.					
58931	D	MMBtu	\$ .0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> SEABROOK, ENV.					
58932	D	MMBtu	\$ .0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> SHENANDOAH, INC.					
58933	D	MMBtu	\$ .0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> STAFFORD, INC.					
58934	D	MMBtu	\$ .0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> TEAL RUN, ENVIRONS					
58935	D	MMBtu	\$ .0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> WEBSTER, INC.					
58936	D	MMBtu	\$ .0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> WOODLANDS, ENVIRONS					
66265	D	MMBtu	\$ .0000	02/01/2007	N
<b><u>DESCRIPTION:</u></b> BAYTOWN, INC.					
66266	D	MMBtu	\$ .0000	02/01/2008	N
<b><u>DESCRIPTION:</u></b> JONES CREEK, ENVIRONS					
68171	D	MMBtu	\$ .0000	10/01/2008	N
<b><u>DESCRIPTION:</u></b> OYSTER CREEK, INC.					
68835	D	MMBtu	\$ .0000	01/01/2008	N
<b><u>DESCRIPTION:</u></b> FREEPORT, ENVIRONS					

**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: 16145**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

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

**INACTIVE DATE:**                      **AMENDMENT DATE:** 10/01/2008

**CONTRACT COMMENT:** None

**REASONS FOR FILING**

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

**CITY ORDINANCE NO:**

**AMENDMENT(EXPLAIN):** Replaced T-65 Rider 2 with T-65 Rider 3-2 and added Transpt. Terms

**OTHER(EXPLAIN):** Add pipeline safety inspection fee

**CUSTOMERS**

<u>CUSTOMER NO</u>	<u>CUSTOMER NAME</u>	<u>CONFIDENTIAL?</u>	<u>DELIVERY POINT</u>
24865	CES	N	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 16145

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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.</p> <p>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>
T-65 Rider 3-2	<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 after June 1, 2004, 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. This Rider will expire and shall not be available or applicable to any transportation service provided by Company on and after October 1, 2010.</p> <p>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.</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>
Tnspt Terms T-65 A	<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</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 16145

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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. 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</p>

GAS SERVICES DIVISION  
GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 16145

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 not 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 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,</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 16145

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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-65 B</p>	<p>Continuation from Tnspt Terms T-65 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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**TARIFF CODE:** DT      **RRC TARIFF NO:** 16145

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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, 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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	<p>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>
42978	D	MMBtu	\$.0000	06/01/2004	N
<b>DESCRIPTION:</b> CHEEK, ENVIRONS					
<b>Customer</b>	24865	CES			

**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: 17999**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 01/01/2004                      **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:** 17999

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</p>
T-64	<p>AVAILABILITY Service under this natural gas transportation rate schedule shall be available only to a State Agency Transportation Customer, as referenced in this rate schedule, where such State Agency Transportation Customer delivers natural gas to CENTERPOINT ENERGY ENTEX (herein Company) at existing city gate stations or other facilities of adequate capacity and suitable pressure in the state of Texas and served by Company. APPLICATION This rate schedule is applicable to gas transportation service for a State Agency Transportation Customer, where (i) a written contract or an amendment to a written contract has been executed after January 1, 2004 between Company and the State Agency Transportation Customer; (ii) the State Agency Transportation Customer arranges for and causes delivery of State Royalty Gas, to the Company at a point or points of delivery of adequate capacity and suitable pressure acceptable to Company, in its sole discretion, and Company redelivers an Equivalent Quantity of Natural Gas, to a Qualified Redelivery Point, as referenced in this rate schedule; and (iii) Company does not take title to or own the gas so transported. NET MONTHLY TRANSPORTATION RATE The Net Monthly Rate for gas measured under this rate schedule shall be: (i) one dollar and nineteen cents (\$1.19) per MMBtu; plus (ii) applicable taxes, as referenced in this Rate Schedule. MINIMUM BILL During any billing period, Company shall render to State Agency Transportation Customer a bill for an amount not less than \$1,000.00 plus applicable taxes. APPLICABLE TAXES The term applicable taxes shall mean the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes, or existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the volume, quantity, full value or gross receipts from the transportation service contemplated herein. Such applicable taxes shall be divided into two (2) components as follows: (i) the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the volume, quantity, value or gross receipts from the transportation charge as specified in the Net Monthly Transportation Rate clause hereinabove; (ii) the full amount Company is obligated to pay or would be obligated to pay for sales service of a similar character, on a per unit redelivered basis, of taxes, franchise fees or other charges (including existing taxes, new taxes and existing taxes which are subsequently determined to be applicable) levied, assessed or fixed by any governmental authority against Company or its business, in connection with or attributable to the total price per MMBtu paid for natural gas by the State Agency Transportation Customer for the natural gas redelivered to the Qualified Redelivery Point, as referenced in this rate schedule, which shall include (i) either the amount paid by the State Agency Transportation Customer for the natural gas, or the amount assigned to the cost of such gas, plus (ii) all transportation and other similar fees with respect to such gas. DEFINITIONS 1. The term State Agency Transportation Customer shall mean an agency of the State of Texas receiving State Royalty Gas, as referenced in this rate schedule. 2. 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, and has taken, in kind, along with any natural gas which the State of Texas or the State Agency Transportation Customer owns as make-up gas, which is to correct for any prior imbalances of deliveries (a) from wells located on state lands or in state waters or (b) from pipelines transporting gas for the State of Texas or the State Agency Transportation Customer. 3. 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 State Agency Transportation Customer to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the State Agency Transportation Customer is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the State Agency Transportation Customer is located downstream of a farm tap meter station. 4. The term Qualified Redelivery Point shall mean (a) a single facility of a State Agency Transportation Customer or facility located at only one location or at immediately contiguous locations served by one or more meters (b) where Company has capacity to serve a load of at least 75 Mcf per day; (c) where the actual consumption of such facility will be, based on Company's best estimate, at least 75 Mcf per day in an average month; and (d) the natural gas redelivered is for ultimate consumption at such facility and not for resale or sharing with others. 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. WRITTEN CONTRACT Service under this rate schedule shall be available only pursuant to a written contract between Company and the State Agency Transportation Customer, which provides, inter alia, that the State Agency Transportation Customer 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 the State Agency Transportation Customer or facility (without any liability to such State Agency Transportation Customer for damages or otherwise) at the point of redelivery in the same manner as Company's customers of the same classification based on Company's then prevailing curtailment schedule, and Company shall not curtail any State Agency Transportation Customer or facility at the point of redelivery unless such curtailment will benefit Company's customers; provided, however, if any 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. MEASUREMENT The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. BALANCING The State Agency Transportation Customer shall use its best efforts to deliver or cause delivery of the gas contemplated hereunder at the points of delivery each day at the same rate at which State Agency Transportation or facility is taking gas hereunder at the point of redelivery during each day. The State Agency Transportation Customer shall arrange with its pipeline transporter to have sufficient quantities of gas available for delivery to Company to meet the peak hour and peak day requirements of the point of redelivery. RULES AND REGULATIONS Service under this natural gas rate schedule shall be furnished in accordance with the provisions of the written contract contemplated hereby and Company's General Rules and Regulations, as such rules may be amended from time to time. These General Rules and Regulations shall be on file and available for inspection at Company's office.</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 17999

**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>
42969	D	MMBtu	\$1.1900	06/01/2004	N
<b><u>DESCRIPTION:</u></b> BASTROP, ENVIRONS					

**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: 19392**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 02/01/2006                      **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>
24672	CenterPoint Energy Intrastate Pipelines	N	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 19392
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-41	<p><b>AVAILABILITY</b> Service under this natural gas transportation rate schedule is available to any Transportation Customer at existing city gate stations of adequate capacity and suitable pressure in the City of Tyler, Smith County, Texas served by CENTERPOINT ENERGY ENTEX (herein Company). <b>APPLICATION</b> This Rate Schedule is applicable to general natural gas transportation service for any Transportation Customer (i) where Company and such Transportation Customer execute a contract or an amendment to a contract prior to November 15, 1989; (ii) where Transportation Customer arranges for and/or causes delivery to Company at Company's facilities a load per day of 5,000 MMBtu, based on Company's estimate, but not to exceed 7,000 MMBtu per day, based on Company's estimate, and Company redelivers an Equivalent Quantity of Natural Gas, as defined in this Rate Schedule, to an End-use Buyer, as defined in this Rate Schedule, at a Qualified Redelivery Point, as defined in this Rate Schedule; and (iii) Company does not take title to or own the natural gas so transported under this Rate Schedule. <b>NET MONTHLY RATE</b> The Net Monthly Rate per MMBtu for gas redelivered under this Rate Schedule shall be a computed amount equal to one-half of the difference between (i) Transportation Customer's sales price to End-use Buyer, as defined in this Rate Schedule and (ii) Transportation Customer's weighted average cost of gas for gas resold to End-use Buyer, as defined in this Rate Schedule. Such Net Monthly Rate per MMBtu shall never be less than one-half of one cent (\$0.005) per MMBtu nor greater than ten cents (\$0.10) per MMBtu. <b>DEFINED TERMS</b> 1. The term Equivalent Quantity of Natural Gas shall mean that quantity of gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Transportation Customer to Company on any one day less, if applicable, a quantity attributable but not limited to Company's fuel use, line loss, and shrinkage. Such quantity of natural gas attributable but not limited to Company's fuel use, line loss and shrinkage shall be established by the provisions of the written contract contemplated hereby. 2. The term End-use Buyer shall mean any buyer of natural gas transported hereunder who receives such gas at a Qualified Redelivery Point, as defined in this Rate Schedule, for ultimate consumption and not for resale. Such End-use Buyer shall not be a customer of Company and shall have, in existence, a valid gas sales contract with Company's Transportation Customer executed for the time period contemplated by this rate schedule. 3. The term Qualified Redelivery Point shall mean a point specified in the written contract contemplated hereby (i) located on existing facilities of Company; (ii) where Company has sufficient capacity to transport and redeliver a load per day specified in the written contract contemplated hereby; and (iii) where the natural gas redelivered hereunder is for ultimate consumption of an End-use Buyer, as defined in this Rate Schedule, and not for resale or sharing with others. <b>NATURAL GAS ACT</b> Company shall not be obligated to transport any gas under this natural gas transportation schedule if such transportation would render Company, in Company's sole determination, a Natural Gas Company under the Natural Gas Act. <b>WRITTEN CONTRACT</b> Service under this natural gas transportation rate schedule is contingent upon a Transportation Customer being a party to a Gas Transportation Contract with Company. This Transportation Contract must be in a form and on terms and condition acceptable to Company. <b>CURTAILMENT</b> In the event of curtailment by Company of Company's sales customers, Company shall curtail the Transportation Customer (without any liability to such Transportation Customer for damages or otherwise) at the point(s) of redelivery in the same manner as Company's sales customers of the same classification. Company shall not curtail any Transportation Customer at the point(s) of redelivery unless such curtailment will benefit Company's sales customers; provided, however, if any regulatory authority having jurisdiction over Company, by rule or order, establishes some curtailment priority schedule or plan for Company, then Company shall comply with such rule or order. <b>MEASUREMENT</b> The measurement of natural gas redelivered by Company on behalf of a Transportation Customer to an End-use Buyer shall be in accordance with the provisions of the written contract contemplated hereinabove. <b>GROSS HEATING VALUE</b> The gross heating value of natural gas redelivered by Company on behalf of a Transportation Customer to an End-use Buyer shall be in accordance with the provisions of the written contract contemplated hereinabove. <b>BILLING AND PAYMENT</b> The billing and payment of natural gas redelivered by Company on behalf of a Transportation Customer to an End-use Buyer shall be in accordance with the provisions of the written contract contemplated hereinabove. <b>BALANCING</b> Company will use its best efforts to redeliver the natural gas contemplated hereunder at the points of redelivery each day at the same rate at which Company is receiving gas hereunder at the point of delivery during each day. <b>RULES AND REGULATIONS</b> Service under the natural gas transportation rate schedule shall be furnished in accordance with the provisions of the written contract contemplated hereinabove and Company's General Rules and Regulations, as such rules may be 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>
359	D	MMBtu	\$ .0000	02/01/2006	N
<b>DESCRIPTION:</b> TYLER, INC.					

**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: 19392**

**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:** 19393

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 02/01/2006      **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>
24672	CenterPoint Energy Intrastate Pipelines	N	

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-16	AVAILABILITY Service under this Rate Schedule shall be available to any Transportation Customer (herein Customer) at existing city gate stations of adequate capacity and suitable pressure in the City of La Porte, Harris County, Texas served by CENTERPOINT ENERGY ENTEX (herein Company). APPLICATION This Rate Schedule is applicable to general natural gas transportation service for any Transportation Customer, as defined herein, pursuant to a written contract executed after February 1, 1985 between Company and any Transportation Customer, where Customer causes delivery of Customer's gas to the Company in the City of La Porte, Harris County, Texas and Company redelivers such gas to any Qualifying Point of Redelivery, as defined herein, at the locations of Customer's end-use buyers, as defined herein. NET MONTHLY RATE The Net Monthly Rate per MMBtu for gas redelivered under this Rate Schedule shall be twelve and one-half cents (\$0.125) per MMBtu. TRANSPORTATION CUSTOMER A Transportation Customer shall be any customer who enters into a written contract with Company for natural gas transportation service by Company in the City of La Porte, Harris County, Texas, where Company does not take title to or own the gas so transported and where such customer (i) has the capability to supply gas at multiple city gas points as designated by Company, (ii) has a peak day and peak hour delivery availability at such points to meet an allocable share of the peak day and peak hour requirements of Company in the City of La Porte, Harris County, Texas, and (iii) can arrange delivery and causes delivery to Company in the City of La Porte, Harris County, Texas, of the gas to be transported. QUALIFYING REDELIVERY POINT A Qualifying Redelivery Point shall be any point of redelivery in the City of La Porte, Harris County, Texas, located on existing mains of the Company's Texas Coast Division having sufficient capacity for said transportation and serving a load of 300 Mcf or more per day in an average month. Such capacity and load shall be determined in Company's sole discretion and judgment. END USE BUYER An end-use buyer is any buyer of gas transported hereunder who receives such gas at the Qualifying Redelivery Point for ultimate consumption and not for resale. 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. WRITTEN CONTRACT Service under this Rate Schedule shall be available only pursuant to a written contract between Company and Customer, which provides, inter alia, that Customer 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 the end-use buyer at the respective points of redelivery in the same manner as Company's customers of the same classification based on Company's curtailment schedule, and Company shall not curtail any such end-use buyer at the respective points of redelivery unless such curtailment will benefit Company customers. MEASUREMENT The parties shall establish proper methods of measurement at the points of delivery and of redelivery in the written contract contemplated hereby. BALANCING Company will use its best efforts to redeliver the gas contemplated hereunder at the points of redelivery each day at the same rate at which Company is receiving gas hereunder at the point of delivery during each day. RULES AND REGULATIONS Service under the Rate Schedule is furnished in accordance with the written contract contemplated hereinabove and Company's General Rules and Regulations, as amended from time to time.

**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: 19393**

**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	02/01/2006	N
<b>DESCRIPTION:</b> LA PORTE, INC.					
<b>Customer</b>	24672	CenterPoint Energy Intrastate Pipelines			

**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

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 19394
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
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) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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.</p> <p>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>

<b>RATE ADJUSTMENT PROVISIONS:</b>
None

<b>DELIVERY POINTS</b>					
<u>ID</u>	<u>TYPE</u>	<u>UNIT</u>	<u>CURRENT CHARGE</u>	<u>EFFECTIVE DATE</u>	<u>CONFIDENTIAL</u>
43019	D	MMBtu	\$0.000	06/01/2007	N
<b>DESCRIPTION:</b> SAN MARCOS, INC.					
58938	D	MMBtu	\$0.000	06/01/2007	N
<b>DESCRIPTION:</b> MT. PLEASANT, INC.					

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

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

**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: 19411**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 08/01/2007                      **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):** 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**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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.</p> <p>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>Tnspt Terms T-65 A</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</p>

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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 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 not 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

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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 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

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Tnspt Terms T-65 B	<p>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-65 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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,</p>



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<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</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>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 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,</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>
	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.

**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
<b><u>DESCRIPTION:</u></b> UNIVERSAL CITY, INC.					

**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.



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 19527

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 03/01/2008      **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>
28523	**CONFIDENTIAL**	Y	
28524	**CONFIDENTIAL**	Y	
8808	**CONFIDENTIAL**	Y	
8812	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 19527

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms. 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>
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>

**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: 19527**

**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	03/01/2008	N
<b>DESCRIPTION:</b> PITTSBURG, INC.					
58938	D	MMBtu	\$.0000	03/01/2008	N
<b>DESCRIPTION:</b> MT. PLEASANT, INC.					

**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.



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-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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.</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 shall be a monthly service charge of \$1,000.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) First 3,000 MMBtu @ \$0.40 per MMBtu Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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>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</p>

Tnspt Terms T-69 A

GAS SERVICES DIVISION

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

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	<p>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 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 not 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</p>



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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 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



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Tnspt Terms T-69 B	<p>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-69 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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,</p>

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	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</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>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 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,</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>
	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.

**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	06/01/2008	N
<b><u>DESCRIPTION:</u></b> HOUSTON, INC.					
150	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> HOUSTON, ENVIRONS					
352	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> TEXAS CITY, INC.					
43033	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> VICTORIA, INC.					
55670	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> SUGAR LAND, INC.					
58921	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> ALVIN, INC.					
58924	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> CONROE, INC.					
58930	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> PASADENA, INC.					
58933	D	MMBtu	\$ .0000	04/01/2005	N
<b><u>DESCRIPTION:</u></b> STAFFORD, INC.					
58935	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> WEBSTER, INC.					
58943	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> GALENA PARK, ENVIRONS					
66267	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> WHARTON, INC.					
68836	D	MMBtu	\$ .0000	07/01/2008	N
<b><u>DESCRIPTION:</u></b> BROOKSHIRE, ENVIRONS					
68837	D	MMBtu	\$ .0000	01/01/2008	N
<b><u>DESCRIPTION:</u></b> ANGLETON, INC.					

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

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

**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**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 06/01/2008                      **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>
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: 20589**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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.</p> <p>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>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</p>

Tnspt Terms T-65 A



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20589
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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 not 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</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>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 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</p>

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<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20589
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
Tnspt Terms T-65 B	<p>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-65 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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,</p>

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</p>



GAS SERVICES DIVISION

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**CURRENT RATE COMPONENT**

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	<p>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 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,</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>
	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.

**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
<b><u>DESCRIPTION:</u></b> NACOGDOCHES, INC.					
42978	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> CHEEK, ENVIRONS					
43009	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> LUFKIN, INC.					
43033	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> VICTORIA, INC.					
58927	D	MMBtu	\$ .0000	06/01/2008	N
<b><u>DESCRIPTION:</u></b> GRAPELAND, INC.					

**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: 20657**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 05/01/2008                      **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>
24865	CES	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**

RATE COMP. ID	DESCRIPTION
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$1,000.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) First 3,000 MMBtu @ \$0.40 per MMBtu Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (ii) Capacity Charge \$0.065 per MMBtu (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>Tnspt Terms T-72 A</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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20657
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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</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>have not 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 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</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>
Tnspt Terms T-72 B	<p>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-72 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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</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. IDDESCRIPTION

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. Overage Underage Imbalance Level The Company Pays Shipper the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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,

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20657
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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, 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,</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>
	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.

**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	06/01/2008	N
<b>DESCRIPTION:</b> HOUSTON, INC.					
150	D	MMBtu	\$ .0000	06/01/2008	N
<b>DESCRIPTION:</b> HOUSTON, ENVIRONS					
55673	D	MMBtu	\$ .0000	05/01/2008	N
<b>DESCRIPTION:</b> BAYTOWN, ENVIRONS					
58924	D	MMBtu	\$ .0000	06/01/2008	N
<b>DESCRIPTION:</b> CONROE, INC.					
58929	D	MMBtu	\$ .0000	06/01/2008	N
<b>DESCRIPTION:</b> MONTGOMERY COUNTY, ENVIRONS					
58936	D	MMBtu	\$ .0000	07/01/2008	N
<b>DESCRIPTION:</b> WOODLANDS, ENVIRONS					
68172	D	MMBtu	\$ .0000	06/01/2008	N
<b>DESCRIPTION:</b> NASSAU BAY, INC.					
68838	D	MMBtu	\$ .0000	07/01/2008	N
<b>DESCRIPTION:</b> BARRETT'S SETTLEMENT, ENVIRONS					

**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:** 20658

**DESCRIPTION:** Distribution Transportation      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**      **RECEIVED DATE:** 04/09/2009

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

**INACTIVE DATE:**      **AMENDMENT DATE:** 09/01/2008

**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-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$1,000.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) First 3,000 MMBtu @ \$0.40 per MMBtu Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (ii) Capacity Charge \$0.065 per MMBtu (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>Tnspt Terms T-72 A</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 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</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>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 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20658
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>have not 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 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</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>
Tnspt Terms T-72 B	<p>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-72 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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</p>



## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

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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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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,

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20658
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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, 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,</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>
	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.

**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
<u>DESCRIPTION:</u> HOUSTON, INC.					
58929	D	MMBtu	\$.0000	09/01/2008	N
<u>DESCRIPTION:</u> MONTGOMERY COUNTY, ENVIRONS					

**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: 20659**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 05/01/2008                      **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>
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-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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.</p> <p>APPLICATION This Rate Schedule is applicable to gas transportation service, where (a) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$1,000.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) First 3,000 MMBtu @ \$0.40 per MMBtu Over 3,000 MMBtu @ \$0.10 per MMBtu; plus (ii) Capacity Charge \$0.065 per MMBtu (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>Tnspt Terms T-72 A</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</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>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 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</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>have not 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 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</p>

GAS SERVICES DIVISION

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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20659
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
Tnspt Terms T-72 B	<p>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-72 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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</p>

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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,</p>

GAS SERVICES DIVISION

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	<p>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, 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,</p>



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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	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.

**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	05/01/2008	N
<b>DESCRIPTION:</b> HOUSTON, INC.					
150	D	MMBtu	\$ .0000	08/01/2008	N
<b>DESCRIPTION:</b> HOUSTON, ENVIRONS					
58926	D	MMBtu	\$ .0000	05/01/2008	N
<b>DESCRIPTION:</b> DEER PARK, INC.					
66267	D	MMBtu	\$ .0000	09/01/2008	N
<b>DESCRIPTION:</b> WHARTON, INC.					
67772	D	MMBtu	\$ .0000	05/01/2008	N
<b>DESCRIPTION:</b> LAKE JACKSON, INC.					
67773	D	MMBtu	\$ .0000	07/01/2008	N
<b>DESCRIPTION:</b> LIVERPOOL, INC.					

**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: 20684**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 12/01/2008                      **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>
24865	CES	N	



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DT**                      **RRC TARIFF NO: 20684**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.
T-74	<p><b>AVAILABILITY</b> 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><b>APPLICATION</b> This Rate Schedule is applicable to gas transportation service, where (a) a written Transportation Service Agreement (Agreement) has been executed on or before November 1, 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 or Delivery Points, as defined in the contract contemplated hereby, on the campus of a state-owned university; and (d) Company does not take title to or own the gas so transported. <b>DEFINITIONS</b> 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. <b>NET MONTHLY RATE</b> The Net Monthly Rate for gas transported under this Rate Schedule shall be a monthly service charge of \$1,000.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) a monthly service charge of \$500.00; 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 for all gas transported to the facilities of an End-user Customer 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. <b>EQUIVALENT QUANTITY OF NATURAL GAS</b> 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. <b>PAYMENTS TO GOVERNMENTAL AUTHORITIES</b> 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. <b>OTHER CHARGES</b> 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. <b>BILLING AND PAYMENT</b> 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. <b>NATURAL GAS ACT</b> 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. <b>WRITTEN SERVICE AGREEMENT</b> 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. <b>CURTAILMENT</b> 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). <b>MEASUREMENT</b> 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. <b>GENERAL TERMS AND CONDITIONS</b> 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>1. <b>APPLICABILITY</b> 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-74 2. <b>DEFINITIONS</b> 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</p>

Tnspt Terms T-74 A

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 20684

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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) the campus of a state-owned university 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 such facility will be, based on Company's best estimate, a minimum of 200 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 state-owned university 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 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20684
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 not 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 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20684
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
Tnspt Terms T-74 B	<p>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-74 A. 11. FACILITIES 11.1 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 facilities using, based on Company's best estimate, 3,000 Mcf or more on an annual basis 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. All meters using, based on Company's best estimate, less than 3,000 Mcf on an annual basis will be subject to additional charges at detailed in the applicable Rate Schedule. 11.2 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 dedicated analog telecommunications lines for each telemetry installation. 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. 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</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 20684

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 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, 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20684
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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, 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</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 20684

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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>
23	D	MMBtu	\$.0000	12/01/2008	N
<b>DESCRIPTION:</b> BEAUMONT, INC.					
155	D	MMBtu	\$.0000	12/01/2008	N
<b>DESCRIPTION:</b> HUNTSVILLE, INC.					
43019	D	MMBtu	\$.0000	12/01/2008	N
<b>DESCRIPTION:</b> SAN MARCOS, INC.					

**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: 20685**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 12/01/2008                      **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>
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-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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.</p> <p>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>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</p>

Tnspt Terms T-65 A

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20685
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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 not 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</p>

## GAS SERVICES DIVISION

## GSD - 2 TARIFF REPORT

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TARIFF CODE: DT

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## CURRENT RATE COMPONENT

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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 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



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**CURRENT RATE COMPONENT**

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Tnspt Terms T-65 B	<p>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-65 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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,</p>



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	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</p>

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	<p>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 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,</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**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	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.

**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
<b><u>DESCRIPTION:</u>    CARTHAGE, ENVIRONS</b>					
234	D	MMBtu	\$ .0000	12/01/2008	N
<b><u>DESCRIPTION:</u>    NACOGDOCHES, INC.</b>					
43028	D	MMBtu	\$ .0000	12/01/2008	N
<b><u>DESCRIPTION:</u>    TENAHA, ENVIRONS</b>					

**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: 20686**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 10/01/2005                      **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>
8814	**CONFIDENTIAL**	Y	

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 20686

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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.</p> <p>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>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</p>

Tnspt Terms T-65 A



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT      **RRC TARIFF NO:** 20686

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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 not 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</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 20686

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20686
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
Tnspt Terms T-65 B	<p>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-65 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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,</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 20686

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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,</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DT                      RRC TARIFF NO: 20686**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	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.

**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>
58941	D	MMBtu	\$ .0000	10/01/2005	N
<b><u>DESCRIPTION:</u></b> NEW BOSTON, ENV.					

**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: 20725**

**DESCRIPTION:** Distribution Transportation                      **STATUS:** A

**OPERATOR NO:**

**ORIGINAL CONTRACT DATE:**                      **RECEIVED DATE:** 04/09/2009

**INITIAL SERVICE DATE:** 03/01/2008                      **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>
29685	MID-STATES ENERGY	N	



GAS SERVICES DIVISION

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

**TARIFF CODE: DT**                      **RRC TARIFF NO: 20725**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
PSIF-4	<p>PIPELINE SAFETY INSPECTION FEE Pipeline Safety Inspection Fee pursuant to Texas Utilities Code 121.211 The 2009 Pipeline Safety Fee is a one-time customer charge per bill of \$0.54, based on \$0.50 per service line. Collected from April 1, 2009 to April 30, 2009.</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) a written Transportation Service Agreement (Agreement) 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 shall be a monthly service charge of \$500.00 plus a rate per MMBtu for all gas transported and delivered to the facilities of an End-use Customer during a billing period equal to the sum of: (i) 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 (ii) Payments To Governmental Authorities, as defined in this Rate Schedule and the General Terms.</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.</p> <p>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>Tnspt Terms T-65 A</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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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<b>TARIFF CODE:</b> DT	<b>RRC TARIFF NO:</b> 20725
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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 not 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 20725

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

<b>RRC COID:</b> 6263	<b>COMPANY NAME:</b> CENTERPOINT ENERGY ENTEX
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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
Tnspt Terms T-65 B	<p>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-65 A. 11. FACILITIES 11.1 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. On and after January 1, 2005, if Company does not have telemetry at the Receipt Point, upon execution of the Agreement, 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. 11.2 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, if required. 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. 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,</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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. Overage Underage Imbalance Level The Company Pays Shipper the Following Percentage of the Cash-Out Price Shipper Pays the Company the 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% 12.7.2 In the event of an Overage, the Cash Out Price shall be the lower of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. In the event of an Underage, the Cash Out Price shall be the higher of the Cash-out Index specified in the Agreement or Company's applicable weighted average cost of gas for the month. 12.8 Company in its sole discretion, upon ten (10) days written notice to Shipper, may change the Cash-out Index, 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</p>

GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE:** DT                      **RRC TARIFF NO:** 20725

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	<p>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 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,</p>



GAS SERVICES DIVISION

GSD - 2 TARIFF REPORT

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

**TARIFF CODE: DT                      RRC TARIFF NO: 20725**

**CURRENT RATE COMPONENT**

<u>RATE COMP. ID</u>	<u>DESCRIPTION</u>
	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.

**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>
43021	D	MMBtu	\$ .0000	03/01/2008	N
<b><u>DESCRIPTION:</u>    SCHULENBURG, INC.</b>					

**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.