

**GUD No. 9791**  
**CenterPoint Energy**  
**Texas Coast Division**  
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**FINAL ORDER**

**Schedule A**

**GUD No. 9791**

CenterPoint Energy - Texas Coast Division  
Revenue Requirement Summary - Standard Rate Classes

**FINAL ORDER**




			<b>Proposed</b>	<b>Final Order</b>	<b>Difference</b>
Operation and Maintenance Expenses	Schedule 4a	CARD 15	\$ 28,076,640	\$ 27,440,388	\$ (636,252)
Taxes Other than Income Taxes	Schedule 4a	CARD 18	1,927,936	1,919,492	\$ (8,444)
Depreciation and Amortization Expense	Schedule 4a	CARD 17	6,904,984	6,601,922	\$ (303,062)
Rate Base	Schedule 2	CARD 19	\$ 98,160,260 (1)	\$ 91,755,688 (1)	\$ (6,404,572)
Rate of Return (after-tax)	Schedule 3	CARD 19	<u>8.802%</u>	<u>8.802%</u>	
Return on Rate Base			8,639,870	8,076,152	\$ (563,718)
Federal Income Taxes	Schedule 4a	CARD 22	<u>3,435,595</u>	<u>3,226,188</u>	<u>\$ (209,407)</u>
<b>Revenue Requirements</b>			<u>\$ 48,985,025</u>	<u>\$ 47,264,142</u>	<u>\$ (1,720,883)</u>
<b>Current Revenue</b>		CARD 1	\$ 46,058,076	\$ 46,058,076	
<b>Increase (\$)</b>			\$ 2,926,949	\$ 1,206,066	
<b>Increase (%)</b>			6.35%	2.62%	


(1) Storage Gas Cost removed from Rate Base to be recovered through PGA.



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**CenterPoint Energy  
Texas Coast Division  
Calculation of Income Tax Gross-Up Factor**

<u>Line</u>	<u>Description</u>		<u>Ratios</u>
1	State Margin Tax Rate		0.0100
2	Federal Corporate Tax Rate		0.3500
3	Composite Tax Rate		0.3565
4	Income Tax Gross-Up Factor		1.5540 

To  
 [Schedule 1](#)

 Composite Tax Rate =  
State Margin Tax Rate + (1-State Margin Tax Rate)\*(Federal Tax Rate)

 Income Tax Gross-Up Factor =  
1/(1-Composite Rate)





**CENTERPOINT ENERGY  
 TEXAS COAST DIVISION  
 DEPRECIATION INFORMATION -- RESERVE**

**FINAL ORDER**

ACCOUNT	SUB-FCA	DESCRIPTION	RESERVE BALANCE 9/30/2007	PRO FORMA DEPRECIATION ACCRUALS	PRO FORMA RETIREMENTS	PRO FORMA REMOVAL AND SALVAGE	Total Adjustments	Final Order BALANCE 5/31/2008
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		INTANGIBLE PLANT:						
301.001	6000	ORGAN. COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
302.001	6010	PERPETUAL F & C	-	-	-	-	-	-
303.001	6030	P/L INTERCONN/OTHER	-	-	-	-	-	-
303.001	6035	MISC. INTANGIBLE PLT	(1,048,526)	-	-	-	(190,137)	(1,238,663)
303.001	6040	EFM EQUIPMENT	-	-	-	-	-	-
303.001	6060	SOFTWARE - SAP	(2,013,593)	-	-	-	(340,604)	(2,354,197)
		TOTAL INTANGIBLE PLANT	(3,062,119)	-	-	-	(530,741)	(3,592,860)
		TRANSMISSION PLANT						
365.001	6570	LAND	-	-	-	-	-	-
365.002	6580	LAND RIGHTS - SURF LEASES	-	-	-	-	-	-
365.200	6630	ROW	-	-	-	-	-	-
366.001	6670	S & I - OTHER	-	-	-	-	-	-
367.001	6690	MAINS	-	-	-	-	-	-
369.001	6730	M/R STA EQ	-	-	-	-	-	-
		TOTAL TRANSMISSION PLANT	-	-	-	-	-	-
		DISTRIBUTION PLANT:						
374.001	6840	LAND - GENERAL	(14,197)	-	-	-	-	(14,197)
374.002	6880	LAND RIGHTS - ROW- GEN DIST	(80,405)	-	-	-	(1,461)	(81,866)
375.001	6900	STRUCT -CG ML IND M/R	(85,313)	-	-	-	(1,571)	(86,884)
376.001	6940	MAINS - NON C.I.	-	-	-	-	-	-
376.001	6950	MAINS	-	-	-	-	-	-
376.001	6951	MAINS -STEEL	(21,249,793)	-	-	-	(182,055)	(21,431,848)
376.001	6952	MAINS - PLASTIC	(15,505,046)	-	-	-	(954,173)	(16,459,219)
378.001	6980	M/R/ STAT EQUIP - GEN	(349,553)	-	-	-	(16,382)	(365,935)
379.001	7010	M/R STAT EQ - CTY GT	(1,423,641)	-	-	-	11,918	(1,411,723)
380.001	7022	SERVICES - STEEL	(1,366,587)	-	-	-	90,623	(1,275,964)
380.001	7023	SERVICES - PLASTIC	(18,788,705)	-	-	-	(1,713,859)	(20,502,564)
381.001	7050	METERS - DOMESTIC	(6,092,839)	-	-	-	279,355	(5,813,484)
381.001	7075	METERS - ERTS	(441)	-	-	-	(35)	(476)
382.001	7080	MTR INSTALL - DOMESTIC	(3,130,294)	-	-	-	(232,468)	(3,362,762)
382.001	7090	MTR INSTALL - IND/LARGE	(791,959)	-	-	-	(43,400)	(835,359)
383.001	7120	REG - DOMESTIC	(1,348,895)	-	-	-	(71,976)	(1,420,871)
383.001	7130	REG - INDUSTRIAL	(340,654)	-	-	-	(12,223)	(352,877)
385.001	7150	IND. M/R STAT EQUIP	(121,276)	-	-	-	(5,594)	(126,870)
386.001	7157	OTHER PROP - CUST PREM	(55)	-	-	-	-	(55)
387.001	7160	OTHER EQ -CNG EQUIP	(189,044)	-	-	-	(10,045)	(199,089)
		TOTAL DISTRIBUTION PLANT	(70,878,697)	-	-	-	(2,863,346)	(73,742,043)
		GENERAL PLANT:						
389.001	7180	LAND	-	-	-	-	-	-
390.001	7200	STRUCT/MPR - GEN	-	-	-	-	-	-
390.001	7225	STRUCT/MPR - GEN	(730)	-	-	-	(324)	(1,054)
390.002	7225	LEASEHOLD IMPROVEMENTS	(48,428)	-	-	-	(1,178)	(49,606)
391.001	7230	FURNITURE & EQUIPMENT - MISC	-	-	-	-	-	-
391.001	7232	OFFICE EQUIPMENT - GENERAL	(524,057)	-	-	-	(6,828)	(530,885)
391.002	7260	COMPUTER EQUIPMENT - MISC	324,882	-	-	-	(327,995)	(3,113)
393.001	7355	STORES EQUIPMENT	-	-	-	-	-	-
394.001	7362	TOOLS/WORK EQUIPMENT - ENT	(292,294)	-	-	-	-	(292,294)
394.001	7364	SHOP EQUIPMENT (ENTEX)	(11,682)	-	-	-	-	(11,682)
394.001	7366	GARAGE EQUIPMENT (ENTEX)	-	-	-	-	-	-
395.001	7370	LAB EQUIPMENT	-	-	-	-	-	-
397.001	7390	COMMUNICATION EQUIPMENT	(122,521)	-	-	-	(40)	(122,561)
398.001	7450	MISCELLANEOUS EQUIPMENT	(12,101)	-	-	-	(511)	(12,612)
399.001	7455	MISCELLANEOUS TANGIBLE PROPERTY	-	-	-	-	-	-
399.003	7470	GENERAL FL	-	-	-	-	-	-
		TOTAL GENERAL PLANT	(686,931)	-	-	-	(336,876)	(1,023,807)
		TRANSPORTATION AND MWE EQUIP						
392.001	7300	AUTOS	(7,873)	-	-	-	29,206	21,333
392.001	7320	TRUCKS	(1,503,211)	-	-	-	(81,257)	(1,584,468)
396.001	7380	POWER OPERATED EQUIPEMENT	(279,733)	-	-	-	4,688	(275,045)
		TOTAL TRANSPORTATION AND MWE EQUIP	(1,790,817)	-	-	-	(47,363)	(1,838,180)
		TOTAL TEXAS COAST ACCUMULATED RESERVE	(76,418,564)	-	-	-	(3,778,326)	(80,196,890)
		RETIREMENT WORK IN PROGRESS	330,058				18,018	348,076
		TOTAL TEXAS COAST	\$ (76,088,506)	\$ -	\$ -	\$ -	\$ (3,760,308)	\$ (79,848,814)





**CenterPoint Energy  
Texas Coast Division  
Cash Working Capital  
For The Test Year Ended September 30, 2007**

**FINAL ORDER**

**Cash Working Capital based on  
Negative One-Eighth Rule**

Total Operation & Maintenance	\$ 28,221,610
Gas Supply Expense	\$ 92,014,771
Total	\$ 120,236,381
Negative One-Eighth	<b>\$ (15,029,548)</b>

**CenterPoint Energy**  
**Texas Coast Division**  
**Materials & Supplies**  
**13 Month Average**  
**For The Test Year Ended September 30, 2007**

**FINAL ORDER**

Ferc Account	Natural Account	Description	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Total	13 Month Average
1540	133999	Materials and Supplies	107,797	140,011	128,070	139,050	152,662	154,394	156,009	146,102	151,784	130,411	100,152	94,010	85,591	1,686,043	129,696
<b>Total 1540 Matls Oper Supplies</b>			<b>107,797</b>	<b>140,011</b>	<b>128,070</b>	<b>139,050</b>	<b>152,662</b>	<b>154,394</b>	<b>156,009</b>	<b>146,102</b>	<b>151,784</b>	<b>130,411</b>	<b>100,152</b>	<b>94,010</b>	<b>85,591</b>	<b>1,686,043</b>	<b>129,696</b>

To  
[Schedule 2](#)

**CenterPoint Energy  
 Texas Coast Division  
 Storage Gas**

**FINAL ORDER**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Storage Gas Removed from Rate Base	\$ 0
2	Storage Gas 12 Month Average Test Year Ended September 30, 2007	6,632,355
3	Adjustment	\$ (6,632,355)

From  
[Schedule 2e1](#)

To  
[Schedule 2](#)



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CenterPoint Energy  
 Texas Coast Division  
 Prepayments  
 13 Month Average  
 For The Test Year Ended September 30, 2007

**FINAL ORDER**

Ferc Account	Natural Account	Description	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Total	13 Month Average
1650	139010	Prepayments	\$ 33,455	\$ 100,736	\$ 90,157	\$ 80,282	\$ 105,444	\$ 94,894	\$ 85,072	\$ 74,522	\$ 70,749	\$ 60,521	\$ 50,534	\$ 40,548	\$ 30,561	\$ 917,475	\$ 70,575
<b>Total 1650 Prepayments</b>			<u>\$ 33,455</u>	<u>\$ 100,736</u>	<u>\$ 90,157</u>	<u>\$ 80,282</u>	<u>\$ 105,444</u>	<u>\$ 94,894</u>	<u>\$ 85,072</u>	<u>\$ 74,522</u>	<u>\$ 70,749</u>	<u>\$ 60,521</u>	<u>\$ 50,534</u>	<u>\$ 40,548</u>	<u>\$ 30,561</u>	<u>\$ 917,475</u>	<u>\$ 70,575</u>

To  
[Schedule 2](#)

**CenterPoint Energy  
 Texas Coast Division  
 Customer Deposits and Advances  
 For The Test Year Ended September 30, 2007**

**FINAL ORDER**

Ferc	Natural Account Description	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07
2350	255010 Cust Deposit - Misc	(1,859,850)	(1,884,543)	(1,986,913)	(1,530,014)	(1,537,679)	(1,617,406)	(1,612,217)	(1,660,928)	(1,696,097)	(1,737,412)	(1,841,094)	(1,893,075)
2521	264050 Cust Adv constr-Oth Jobs-Refund												<u>(31,882)</u>
<b>Total Customer Deposits and Advances</b>													<u>(1,924,957)</u> ⓘ

To  
 ⓘ [Schedule 2](#)

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**CENTERPOINT ENERGY**  
**Texas Coast Division**  
**Accumulated Deferred Income Taxes**  
**For The Test Year Ended September 30, 2007**

**FINAL ORDER**

<b>Total Depreciation from Entex Deferred Income Taxes @ September 30, 2007</b>	\$ (92,828,815)
<b>Texas Coast Division Allocation Factor</b>	<u>0.1090</u>
<b>Texas Coast Division Deferred Income Taxes</b>	<u><u>(\$10,118,341)</u></u> <b>1</b>

To  
**1** [Schedule 2](#)











CenterPoint Energy  
 Texas Coast Division  
 FERC Income Statement

FINAL ORDER

<u>Line</u>	<u>Account/Description</u>	<u>Test Year Ended</u>		<u>Total</u>
		<u>September 2007</u>	<u>1 Adjustments</u>	
88	4101 Prov For Def Inc Tax	\$ 6,119,859	\$ -	\$ 6,119,859
89	<b>Total Income Taxes</b>	<b>\$ 2,263,786</b>	<b>\$ 728,401</b>	<b>\$ 2,992,187</b>
90	<b>Total Income before Other Income &amp; Deductions</b>	<b>\$ 6,471,697</b>	<b>\$ 1,194,387</b>	<b>\$ 7,666,084</b>
91	<b><u>Other Income &amp; Deductions</u></b>			
92	<b><u>Other Income</u></b>			
93	4150 Rev-Merch/Contract	\$ -	\$ -	\$ -
94	4160 Exp-Merch/Contract	\$ -	\$ -	\$ -
95	4170 Rev-Nonutility Oper	\$ -	\$ -	\$ -
96	4171 Exp-Nonutility Oper	\$ -	\$ -	\$ -
97	4190 Interest & Div Inc	\$ 648,223	\$ -	\$ 648,223
98	4210 Misc NonOper Income	\$ (1,749)	\$ -	\$ (1,749)
99	4211 Gain On Disp of Prop	\$ -	\$ -	\$ -
100	<b>Total Other Income</b>	<b>\$ 646,474</b>	<b>\$ -</b>	<b>\$ 646,474</b>
101	<b><u>Other Income Deductions</u></b>			
102	4261 Donations	\$ 21,852	\$ -	\$ 21,852
103	4263 Penalties	\$ (1,374)	\$ -	\$ (1,374)
104	4264 Expd For Civic Act	\$ 74,927	\$ -	\$ 74,927
105	4265 Other Deductions	\$ (22,019)	\$ 7,361	\$ (14,658)
106	<b>Total Other Income Deductions</b>	<b>\$ 73,386</b>	<b>\$ 7,361</b>	<b>\$ 80,747</b>
107	<b><u>Interest Charges</u></b>			
108	4300 In-Debt To Assoc Cos	\$ 1,334,047	\$ 3,829	\$ 1,337,876
109	4310 Other Interest Exp	\$ 76,284	\$ -	\$ 76,284
110	<b>Total Interest Charges</b>	<b>\$ 1,410,331</b>	<b>\$ 3,829</b>	<b>\$ 1,414,160</b>
111	<b>Total Other Income &amp; Deductions</b>	<b>\$ (837,243)</b>	<b>\$ (11,190)</b>	<b>\$ (848,433)</b>
112	<b>TOTAL NET INCOME</b>	<b>\$ 5,634,454</b>	<b>\$ 1,183,197</b>	<b>\$ 6,817,651</b>

From  
 1 [Adjustments](#)

To  
 2 [Schedule 4a](#)  
 3 [Schedule 4-c](#)

	A	B	C	D
1	CenterPoint Energy			
2	Summary of Income Adjustments			
3				
4		<u>AMOUNT</u>	<u>STANDARD SERVICE AMOUNT</u>	
5	PRO FORMA REVENUE INCREASE	\$ 706,158	\$ 1,206,064	
6				
7		<u>CNP</u>	<u>Commission</u>	<u>Final Order</u>
8	<u>Adjustment</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Amount</u>
9	Postage Expense	\$ 103,021		\$ 103,021
10	Line Break Settlement	\$ 77,737		\$ 77,737
11	City & State Gross Receipts Tax	\$ (3,915,880)		\$ (3,915,880)
12	Postretirement Expense	\$ 23,077		\$ 23,077
13	Postemployment Expense	\$ 72,145		\$ 72,145
14	Retirement Plan Expense	\$ (258,080)		\$ (258,080)
15	Medical Expense (Total Benefits Adj.)	\$ 198,105	0	\$ 198,105
16	Wage Adjustment	\$ 51,985	-107,827	\$ (55,842)
17	Wage Adjustment-Payroll Taxes	\$ 13,092	-8,249	\$ 4,843
18	Auto Liability	\$ 89,337		\$ 89,337
19	Injuries & Damages	\$ 264,736		\$ 264,736
20	Safety Awards	\$ (7,086)		\$ (7,086)
21	Corporate Services-Customer Service	\$ 377,834	0	\$ 377,834
22	Corporate Services-Other	\$ 613,762	-239,090	\$ 374,672
23	Bad Debt Expense	\$ 97,127	-275,336	\$ (178,209)
24	Customer Deposits	\$ 88,785		\$ 88,785
25	Out-Of-Period Vendor Write-off	\$ (16,021)		\$ (16,021)
26	Public Awareness	\$ 27,356		\$ 27,356
27	Vehicle Fuel	\$ 66,182		\$ 66,182
28	Meter Reading	\$ 152,253		\$ 152,253
29	Rent Adjustment	\$ 5,697		\$ 5,697
30	Revenue Adjustments:			
31	Residential	\$ 61,563,292		\$ 61,563,292
32	Commercial and Industrial	\$ 31,822,216		\$ 31,822,216
33	Forfeited Discounts	\$ 18,337		\$ 18,337
34	Misc. Service Revenue	\$ (702,362)		\$ (702,362)
35	Transportation Distribution Revenue	\$ (51,765)		\$ (51,765)
36	Cost of Gas:			
37	City Gate Purchases	\$ (133,900,133)		\$ (133,900,133)
38	Purchase Gas Adjustments	\$ 23,257,860		\$ 23,257,860
39	Gas Storage-Debit	\$ (389,413)		\$ (389,413)
40	Gas Storage - Credit	\$ 26,182,967		\$ 26,182,967
41	Transmission of Gas	\$ (7,166,052)		\$ (7,166,052)
42	Ad Valorem Tax	\$ (274,791)		\$ (274,791)
43	Depreciation Expense	\$ 271,895		\$ 271,895
44	Amortization Other Plant	\$ (58,546)	0	\$ (58,546)
45	Pipeline Safety Fee	\$ 93,682		\$ 93,682
46	Savings Adjustment	\$ (20,491)		\$ (20,491)
47	State Franchise Tax	\$ (52,958)		\$ (52,958)
48				
49	Note: Federal Income Tax and State Margin tax adjustments will automatically			
50	recalculate based on any changes. The adjustments for these taxes can be found on			
51	schedule 4b.			



























































































































































































































