

**BEFORE THE  
RAILROAD COMMISSION OF TEXAS**

**APPEAL OF CENTERPOINT ENERGY §  
RESOURCES CORP. D/B/A §  
CENTERPOINT ENERGY TEXAS GAS §  
OPERATIONS AND CENTERPOINT §  
ENERGY ENTEX FROM THE ACTION § GAS UTILITIES DOCKET No. 10077  
OF THE CITY OF BEAUMONT §  
DENYING THE REQUEST OF §  
MUNRO'S UNIFORM SERVICES, §  
L.L.C. §**

**FINAL ORDER**

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE ANN. Chapter 551, *et seq.* (Vernon 2008 & Supp. 2013). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

**FINDINGS OF FACT**

1. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (CenterPoint) is a gas utility as that term is defined in the Texas Utility Code and is subject to the jurisdiction of the Railroad Commission of Texas (Commission).
2. CenterPoint's natural gas distribution business engages in natural gas sales to, and transportation for residential, commercial and industrial customers in the states of Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma and Texas.
3. CenterPoint also provides transportation services to third-party shippers and an affiliate shipper of CenterPoint, CenterPoint Energy Services.
4. Service offered by CenterPoint within Texas is provided by four divisions – the South Texas Division, the Beaumont/East Texas Division, the Houston Division, and the Texas Coast Division.
5. CenterPoint provides natural gas service to residents within the City of Beaumont through its Beaumont/East Texas Division.
6. Prior to August 1, 2009, Munro's Uniform Services, LLC (Munro's) was a CenterPoint customer within the City of Beaumont.

7. After August 1, 2009, Munro's began receiving natural gas service from a third-party shipper on CenterPoint's transmission lines. Munro's is no longer a customer of CenterPoint.
8. The shipper that provides natural gas service to Munro's is a transportation services customer of Centerpoint.
9. Munro's filed a complaint with the City of Beaumont in 2011 complaining of the treatment it received from CenterPoint during the period of transition from being a CenterPoint customer to a customer of a third-party shipper.
10. The City of Beaumont issued an order (by resolution dated April 5, 2011) and an amendment to that order (by resolution dated May 3, 2011) acknowledging that the City of Beaumont (1) had exclusive original jurisdiction over the rates, operations and services of CenterPoint and (2) the City of Beaumont did not intend to surrender its jurisdiction to the Commission. The City of Beaumont, however, declined to exercise jurisdiction over the complaint.
11. On May 5, 2011, CenterPoint timely filed an appeal with the Commission.
12. CenterPoint began its transportation services program in May of 2004. Centerpoint initially offered one transportation rate in rural Texas pursuant to a tariff entitled, Rate Schedule T-65. To be eligible to transport pursuant to the tariff a shipper was required to transport a minimum of 50 Mcf per day to each delivery point.
13. Due to Munro's consumption level, Munro's did not qualify to receive service from a third-party transporter engaged in transportation pursuant to Rate Schedule T-65.
14. In February 2009, CenterPoint expanded its transportation services program and added a new rate schedule, Rate Schedule T-75.
15. Munro's consumption level qualified it for service from a third-party shipper engaged in transportation pursuant to Rate Schedule T-75.
16. As a direct result of CenterPoint's action Munro's classification changed from a captive customer, eligible to receive natural gas service only from CenterPoint through the General Service - Large Volume Rate Schedule No. GSLV - 619 to a customer in a competitive environment eligible to receive service from a third-party shipper.
17. CenterPoint initiated the expanded transportation services program on February 28, 2009. The commercial customers eligible to receive service from a third-party shipper pursuant to the expanded transportation services program were not notified of their eligibility to choose an alternative natural gas provider at the time the program was initiated.
18. On March 5, 2009, CenterPoint held a meeting at its offices in Houston to all shippers who were qualified and approved to provide transportation service on CenterPoint's

system pursuant to Rate Schedule T-75. The commercial customers eligible to receive service from a third-party shipper pursuant to the expanded transportation services program were not notified of their eligibility to choose an alternative natural gas provider at the time of the meeting with the shippers.

19. Munro's contacted CenterPoint on March 11, 2009, and requested rate relief. Munro's was not notified at that time that it was eligible to receive transportation from a third-party service provider.
20. CenterPoint's website did not reflect the existence of transportation tariff Rate Schedule T-75. Instead, the website described only the transportation tariff Rate Schedule T-65. Munro's was not qualified to receive natural gas service pursuant to Rate Schedule T-65.
21. On April 16, 2009, CenterPoint responded to Munro's inquiry of March 11, 2009 and misinformed Munro's by stating that its consumption level did not meet the requirements of CenterPoint's transportation services program.
22. The correct information was not on CenterPoint's website.
23. The website contained only information regarding the transportation services program for which Munro's did not qualify.
24. The transportation tariff is not filed with the Commission as a tariff of general applicability.
25. Munro's had no method of independently verifying the information CenterPoint provided on April 16, 2009 and the company's website would have confirmed the incorrect information.
26. On May 15, 2009, Munro's was correctly informed of its natural gas service options.
27. Munro's exercised its option to receive service from a third-party natural gas service provider and terminated service from CenterPoint.
28. Based upon the above Findings of Fact, CenterPoint failed to inform Munro's prior to May 15, 2009, that Munro's had a choice of service.
29. Based upon the above Findings of Fact, CenterPoint failed to inform Munro's prior to May 15, 2009, that Munro's had the option to cease receiving service from CenterPoint.

30. The General Rules of Service Tariff drafted and filed by CenterPoint with the Commission provides as follows:
- The Company shall assist the customer in selecting the most economical rate schedule,
  - In compliance with applicable law or regulations, the Company shall notify customers affected by a change in rates or schedule or classification, and
  - Furnish such additional information on rates and services as the customer may reasonably request.
31. Prior to May 15, 2009, CenterPoint did not notify Munro's that the customers' classification changed from a commercial customer with no choice in natural gas service to a commercial customer in a competitive environment.
32. The record in this case established that Munro's would have terminated natural gas service from CenterPoint within seventy-five days of learning of its service options.
33. All amounts charged by CenterPoint, excluding gas costs, between the date Munro's would have established third-party service and the date that service was established should be refunded.
34. The record established that CenterPoint recovered from Munro's \$21,036.30 between the date Munro's would have established third-party service and the date that service was established.

### CONCLUSIONS OF LAW

1. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (CenterPoint) is a Gas Utility as defined in TEX. UTIL. CODE ANN. §101.003(7) (Vernon 2007 and Supp. 2013) and §121.001(Vernon 2013) and is therefore subject to the jurisdiction of the Railroad Commission (Commission) of Texas.
2. The Commission has jurisdiction over CenterPoint pursuant to TEX. UTIL. CODE ANN. §§ 102.001, 103.022, 103.054, & 103.055, 104.001, 104.001 and 104.201 (Vernon 2007).
3. The Commission is vested with all the authority and power of the State of Texas to ensure compliance with the obligations of gas utilities with GURA. TEX. UTIL. CODE ANN. § 104.001(a).
4. A gas utility may not grant an unreasonable preference or advantage concerning rates or services to a person in a classification, subject a person in a classification to an unreasonable prejudice or disadvantage concerning rates or services, or establish or maintain an unreasonable difference concerning rates of service between localities or between classes of service. TEX. UTIL. CODE ANN § 104.004.

5. A gas utility may not directly or indirectly charge, demand, collect or receive from a person a greater or lesser compensation for a service provided or to be provided by the utility than the compensation prescribed by the applicable schedule of rates. TEX. UTIL. CODE ANN. § 104.005(a).
6. After notice and hearing, the Commission may, in the public interest, order a gas utility to refund with interest compensation recovered that is not consistent with the applicable schedule of rates. TEX. UTIL. CODE ANN. § 104.005(b).
7. The filed rate doctrine requires that CenterPoint conduct itself in accordance with its tariffs. The General Rules of Service Tariff drafted and filed by CenterPoint with the Commission provides as follows:
  - The Company shall assist the customer in selecting the most economical rate schedule,
  - In compliance with applicable law or regulations, the Company shall notify customers affected by a change in rates or schedule or classification, and
  - Furnish such additional information on rates and services as the customer may reasonably request.
8. The actions taken by CenterPoint were inconsistent with the General Rules of Service Tariff and failed to inform the customer of its option to cease natural gas service from CenterPoint.
9. A gas utility may not discriminate against a person who sells or leases equipment or performs services in competition with the gas utility or engage in a practice that tends to restrict or impair that competition. TEX. UTIL. CODE ANN. § 104.007.

**IT IS THEREFORE ORDERED** that CenterPoint refund all amounts charged, excluding the cost of gas, by CenterPoint between the date Munro's would have established third-party service and the date that service was established should be refunded.

**IT IS FURTHER ORDERED** that the total amount to be refunded be \$21,036.30 and that these amounts be paid no later than sixty days from the effective date of this order.

SIGNED this 25<sup>th</sup> day of March, 2014.

**RAILROAD COMMISSION OF TEXAS**

  
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**CHAIRMAN BARRY T. SMITHERMAN**

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**DAVID PORTER COMMISSIONER**

  
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**CHRISTI CRADDICK, COMMISSIONER**

**ATTEST:**

  
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**SECRETARY**

