

**BEFORE THE  
RAILROAD COMMISSION OF TEXAS**

<b>PETITION FOR REVIEW OF MUNICIPAL RATE ACTION OF THE CITIES OF HOUSTON AND PASADENA REGARDING CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS' INTERIM RATE ADJUSTMENT FOR CALENDAR YEAR 2011</b>	§ § § § § § § § §	<b>GAS UTILITIES DOCKET NO. 10183, consolidated</b>
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**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 Chapter 551. The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

**FINDINGS OF FACT**

Background

1. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company") 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 owns and operates a natural gas distribution system.
3. On March 30, 2012, CenterPoint filed with the Commission and cities retaining original jurisdiction an application for an annual interim rate adjustment ("IRA") to its rates for gas service to customers located in the Company's Houston Division.
4. The application for an IRA filed with the Commission and the cities retaining original jurisdiction was identical in all material respects.
5. On March 30, 2012, CenterPoint requested that the IRA become effective on May 29, 2012.
6. On June 26, 2012, the Commission in GUD No. 10150 approved CenterPoint's proposed IRA for those customers in the Company's Houston Division over which the Commission has original jurisdiction.

7. On July 13, 2012, CenterPoint implemented its approved IRA in the areas of its Houston Division over which the Commission has original jurisdiction.
8. The City of Houston and the City of Pasadena suspended implementation of the Company's proposed IRA until July 13, 2012, which would be 45 days following the 60<sup>th</sup> day after the application would be considered complete.
9. On June 27, 2012, the City of Houston issued Ordinance No. 2012-602, requiring CenterPoint to reduce its proposed IRA by approximately \$4.4 million on a system-wide basis. This ordinance effectively denied CenterPoint's proposed IRA.
10. On July 10, 2012, the City of Pasadena issued Ordinance No. 2012-098, requiring CenterPoint to reduce its proposed IRA by approximately \$4.4 million on a system-wide basis. This ordinance effectively denied CenterPoint's proposed IRA.
11. On July 3, 2012, CenterPoint timely filed with the Commission a Petition for Review of Municipal Rate Action of the City of Houston Regarding CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas' Interim Rate Adjustment for Calendar Year 2011 which was docketed at the Commission as GUD No. 10183. On July 5, 2012, CenterPoint filed with the Commission an Amended Petition for Review of Municipal Rate Action of the City of Houston Regarding CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas' Interim Rate Adjustment for Calendar Year 2011.
12. On July 26, 2012, CenterPoint timely filed with the Commission a Petition for Review of Municipal Rate Action of the City of Pasadena Regarding CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas' Interim Rate Adjustment for Calendar Year 2011 which was docketed at the Commission as GUD No. 10197.
13. On August 8, 2012, in GUD No. 10183, the Commission suspended implementation of CenterPoint's proposed IRA until October 16, 2012, which is 45 days following the 60<sup>th</sup> day after the application was complete.
14. On August 21, 2012, in GUD No. 10197, the Commission consolidated GUD No. 10197 with GUD No. 10183 and suspended implementation of CenterPoint's proposed IRA until October 16, 2012 to coincide with the jurisdictional deadline for GUD No. 10183.
15. Neither TEX. UTIL. CODE §104.301 nor 16 TEX. ADMIN. CODE, §7.7101 provides the opportunity for parties to intervene in the Commission's review of an application for an annual IRA.

16. No party sought intervention in this docket. The City of Houston filed with the Railroad Commission a letter of protest of CenterPoint's Petition for Review of its ordinance, requesting that the Commission deny CenterPoint's appeal of the ordinance.
17. This docket represents the second annual IRA for CenterPoint in the Houston Division since Gas Utility Docket ("GUD") No. 9902.<sup>1</sup>
18. Until promulgation of TEX. UTIL. CODE §104.301, a utility could not increase its rates applicable to customers located within a municipality without filing with the regulatory authority a formal statement of intent rate case, including a comprehensive cost of service rate review.
19. The proposed IRA will allow CenterPoint an opportunity to recover, a return on investment, depreciation expense, and related taxes on the incremental cost of infrastructure investment since its last rate case, without the necessity of filing a statement of intent rate case and without review by the regulatory authority of the Company's comprehensive cost of service.

#### Applicability

20. This docket applies to only those rates over which the Commission has appellate jurisdiction, which includes customers located within a municipality served by CenterPoint in its Houston Division.
21. As of year-end December 31, 2011, CenterPoint's customers in the Houston Division totaled approximately 921,431 residential customers, 41,990 small commercial customers, and 2,669 large volume customers.

#### Most Recent Comprehensive Rate Case

22. CenterPoint's most recent rate case for the area in which the IRA will be implemented is GUD No. 9902.
23. GUD No. 9902 was filed on July 31, 2009.
24. The Commission signed the GUD 9902 Final Order on February 23, 2010, and issued an order nunc pro tunc on May 4, 2010.
25. The rates currently charged by CenterPoint to customers within the Municipalities were set by the Commission in GUD No. 9902, as modified by CenterPoint's first annual IRA approved in GUD No. 10067.

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<sup>1</sup> *Statement of Intent of CenterPoint Energy Entex and CenterPoint Energy Texas to increase Rates on a Division-Wide Basis in the Houston Division.*

26. The following chart shows the factors that were established in GUD 9902 to calculate the return on investment, depreciation expense, ad valorem taxes, revenue related taxes, and federal income taxes for the Company in this proceeding.

**GUD No. 9902 CALCULATION FACTORS**

<b>Factor</b>	<b>CenterPoint</b>
Return on Investment	8.6505%
Depreciation Expense	By FERC Account
Ad Valorem Taxes	0.76654%
Revenue Related Taxes	NA <sup>2</sup>
Federal Income taxes	35%

*Interim Rate Adjustment*

27. CenterPoint seeks approval from the Commission for an adjustment to its revenue, based on incremental net utility plant investment, with regard to the following components: return on investment; depreciation expense; ad valorem taxes; revenue related taxes; and federal income taxes.
28. The revenue amounts to be recovered through CenterPoint's proposed annual IRAs are incremental to the revenue requirement established in the Company's most recent rate case for the area in which the IRA is to be implemented (GUD No. 9902.).
29. CenterPoint calculated and presented all incremental values for investment, accumulated depreciation, return on investment, depreciation expense, ad valorem taxes, and incremental federal income taxes on a full calendar-year basis. Revenue related taxes are not included in CenterPoint's calculation of the IRA. An existing rate schedule that was established by the final Order in GUD No. 9902 is applied to all revenues, including revenues that result from an IRA.
30. To support its IRA filed with the Commission and the Houston Division cities, CenterPoint submitted data for the calendar year ending December 31, 2011.
31. The value of CenterPoint's invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment for the Company's IRAs.
32. CenterPoint's incremental net utility plant investment increase is \$51,236,497. (Exhibit B)

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<sup>2</sup> Revenue related taxes are recovered through a separate rider.

33. CenterPoint is required to use the same factors to calculate the interim return on investment, depreciation expense, ad valorem taxes; revenue related taxes; and federal income taxes as those established or used in the final order setting rates in the Company's most recent rate case for the area in which the IRA is to be implemented (GUD No. 9902).
34. CenterPoint is required to allocate the revenue to be collected through the IRA among its customer classes in the same manner as the cost of service was allocated among its customer classes in its most recent rate case for the area in which the IRA is to be implemented (GUD No. 9902).
35. CenterPoint proposed the IRA as a flat rate to be applied to the monthly customer charges and monthly meter charges rather than as a volumetric rate to be applied to the initial block usage rates (Exhibit A).
36. The Company is required to show its annual IRAs on its customers' monthly billing statements as a surcharge.
37. The proposed IRA does not require an evidentiary proceeding; rather, TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE, §7.7101 require the regulatory authority to review a utility's method of calculating the IRA and determine whether it complies with TEX. UTIL. CODE §104.301.
38. CenterPoint's proposed IRA filed with the Commission and the Houston Division cities complies with TEX. UTIL. CODE §104.301.
39. Due process protections are deferred until CenterPoint files its next full statement of intent rate case.

Notice

40. CenterPoint provided adequate notice to its residential, small commercial, and large volume customers by bill insert beginning on April 4, 2012 and ending on May 2, 2012.

Comprehensive Rate Case Required

41. CenterPoint is not required to initiate a rate case supporting a statement of intent, at the time it applies for an IRA.
42. A gas utility that implements an IRA and does not file a rate case before the fifth anniversary of the date its initial IRA became effective is required to file a rate case not later than the 180th day after that anniversary.

Review of Interim Rate Adjustment

43. CenterPoint's proposed allocation methodology complies with TEX. UTIL. CODE, §104.301, and with 16 TEX. ADMIN. CODE, §7.7101.
44. For allocation methodology, it is reasonable for the Commission to approve use of CenterPoint's overall cost of service (less other revenue, gas cost, and revenue related taxes) as determined in its most recent rate case. The following overall cost of service allocation factors for use in the calculation of CenterPoint's IRA are reasonable:

<b>Customer Class</b>	<b>Allocation Factors</b>
Residential	0.855216
Small Commercial	0.059225
Large Volume	0.085559

45. CenterPoint's proposed customer and meter counts comply with TEX. UTIL. CODE, §104.301, and with 16 TEX. ADMIN. CODE, §7.7101. For calculating the number of customer charges or meter charges per year, it is reasonable for the Commission to approve use of the Company's 2011 monthly summation of number of customers. The following total number of customer and meter charges for use in the calculation of the IRA are reasonable:

<b>Customer Class</b>	<b>Total Number of Customer Charges / Meters</b>
Residential	10,967,992
Small Commercial	507,894
Large Volume	33,767
Total	11,509,656

46. It is reasonable for the Commission to approve CenterPoint's applications for IRAs. The following amounts of IRA revenue and additional customer charges by customer class are reasonable:

<b>Customer Class</b>	<b>Interim Rate Adjustment Revenue</b>	<b>Additional Customer / Meter Charges</b>
Residential	\$8,059,699	\$0.73
Small Commercial	\$558,146	\$ 1.10
Large Volume	\$806,322	\$23.88

Reimbursements of Expense

47. As provided for in the statute and the rule, a gas utility that implements an IRA is required to reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the IRA mechanism.
48. TEX. UTIL. CODE §104.301 does not require reimbursement of expense for a municipal regulatory authority.
49. After the Commission has finally acted on CenterPoint's application for an IRA, the Director of the Gas Services Division will estimate the Company's proportionate share of the Commission's annual costs related to the processing of such applications.
50. In making the estimate of CenterPoint's proportionate share of the Commission's annual costs related to the processing of such applications, the Director will take into account the number of utilities the Commission reasonably expects to file for IRAs during the fiscal year, and the costs expected to be incurred in processing such applications.
51. CenterPoint is required to reimburse the Commission for the amount determined by the Director of the Gas Services Division and approved by the Commission, within thirty days after receipt of notice of the amount of the reimbursement.

CONCLUSIONS OF LAW

1. CenterPoint is a "gas utility" as defined in TEX. UTIL. CODE §101.003(7) and §121.001, and is therefore subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
2. The Commission has jurisdiction over CenterPoint, the Company's applications for IRAs for incremental changes in investment, and the subject matter of this case under TEX. UTIL. CODE §102.001, §104.001, §104.002, and §104.301.
3. Under TEX. UTIL. CODE. §102.001, the Commission has exclusive appellate jurisdiction to review an order or ordinance of a municipality regarding the rates and services of a gas utility that distributes natural gas in areas inside a municipality.
4. The Company filed its application for an IRA in accordance with the provisions of TEX. UTIL. CODE §104.301.
5. The jurisdiction of a regulatory authority in reviewing a proposed IRA filed pursuant to TEX. UTIL. CODE §104.301 does not extend to making substantive modifications to the calculation of the IRA.

6. The Railroad Commission's rule, 16 TEX. ADMIN. CODE §7.7101, Interim Rate Adjustments, governs applications for IRA over which the Commission is exercising its original jurisdiction pursuant to TEX. UTIL. CODE §102.001. Applying the provisions of the Commission's rule results in an IRA in this docket that is consistent with the interim rate set by the Commission's June 26, 2012 order in the corresponding environs docket, GUD No. 10150, Application of CenterPoint Energy Entex for Texas Year 2011 Annual Interim Rate Adjustment Program for the Environs of the Houston Division and the Cities of Cut and Shoot, Galena Park, Jacinto City, New Waverly, Panorama Village, Roman Forest, South Houston, Southside Place, West University Place, and Willis.
7. CenterPoint's appeal for review of its proposed IRAs was processed in accordance with the requirements of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101.
8. In accordance with 16 TEX. ADMIN. CODE §7.315, within thirty days of the effective date of any change to rates or services, the Company is required to file with the Gas Services Division of the Commission its revised tariffs.
9. In accordance with TEX. UTIL. CODE §104.301(a) and 16 TEX. ADMIN. CODE §7.7101(a), the filing date of CenterPoint's most recent rate case, in which there is a final order setting rates for the area in which the IRA will apply, was no more than two years prior to the date the Company filed its initial IRA.
10. The Company is required, under TEX. UTIL. CODE §104.301(e) and 16 TEX. ADMIN. CODE §7.7101(d), to file with the Commission an annual project report, including the cost, need, and customers benefited by the change in investment, and describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year. This annual project report shall be for the Houston Division as a whole.
11. CenterPoint shall include in all future annual IRA filings, relocation project reports that provide additional information about relocation project costs included in investment projects, in the same format as required in this docket. This additional information shall be for the Houston Division as a whole.
12. CenterPoint is required, under TEX. UTIL. CODE §104.301(f) and 16 TEX. ADMIN. CODE §7.7101(e), to file with the Commission an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year. This annual earnings monitoring report shall be for the Houston Division as a whole.



13. CenterPoint is required, under TEX. UTIL. CODE ANN. §104.301(c) and 16 TEX. ADMIN. CODE §7.7101(h), to recalculate its approved IRAs annually and is required to file an application for an annual adjustment no later than 60 days prior to the one-year anniversary of the proposed implementation date of the previous IRA application. This recalculation of the Company's approved IRAs and application for an annual adjustment shall be for the Houston Division as a whole.
14. In accordance with TEX. UTIL. CODE ANN. §104.301(a) and 16 TEX. ADMIN. CODE §7.7101(i), all amounts collected from customers under CenterPoint's IRA tariffs or rate schedules are subject to refund. The issues of refund amounts, if any, and whether interest should be included on refunded amounts and, if so, the rate of interest, shall be addressed in the rate case a gas utility files or the Commission initiates after the implementation of an IRA and shall be the subjects of specific findings of fact in the Commission's final order setting rates.
15. In accordance with TEX. UTIL. CODE ANN. §104.301(a) and 16 TEX. ADMIN. CODE §7.7101(j), in the rate case that CenterPoint files or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall be fully subject to review for reasonableness and prudence. Upon issuance of a final order setting rates in the rate case that the Company files or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall no longer be subject to review for reasonableness or prudence.
16. The Commission has authority to suspend the implementation of the IRA, under TEX. UTIL. CODE §104.301(a) and 16 TEX. ADMIN. CODE §7.7101(e).
17. CenterPoint provided adequate notice, in accordance with TEX. UTIL. CODE §104.301(a) and 16 TEX. ADMIN. CODE §7.7101(b).
18. CenterPoint's IRAs established in the findings of fact and conclusions of law, comply with the provisions of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101.
19. In accordance with TEX. UTIL. CODE §104.301(h) and 16 TEX. ADMIN. CODE §7.7101(l), the Company shall file a comprehensive rate case for the areas in which the IRA is implemented, not later than the 180th day after the fifth anniversary of the date its initial IRA became effective.
20. The Commission has authority, under TEX. UTIL. CODE §104.301(j) and 16 TEX. ADMIN. CODE §7.7101(m), to recover from CenterPoint the Company's proportionate share of the Commission's annual costs related to the administration of the IRA mechanism.

**IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT** CenterPoint's IRAs as requested and to the extent recommended to be approved in the findings of fact and conclusions of law are **HEREBY APPROVED** to be effective for bills rendered on or after September 12, 2012 for customers within the municipal boundaries of Houston and Pasadena, Texas.

**IT IS FURTHER ORDERED THAT** CenterPoint **SHALL** file with the regulatory authority no later than March 30, 2013, a system-wide Houston Division annual project report, including the cost, need, and customers benefited by the change in investment, and describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandonment during the preceding calendar year.

**IT IS FURTHER ORDERED THAT** CenterPoint **SHALL** file with the regulatory authority no later than March 30, 2013, a system wide Houston Division relocation project report, which provides additional information about relocation costs included in investment projects, in the format provided in this docket.

**IT IS FURTHER ORDERED THAT** CenterPoint **SHALL** file with the regulatory authority no later than March 30, 2013, a system wide Houston Division annual earnings monitoring report demonstrating CenterPoint's earnings during the preceding calendar year.

**IT IS FURTHER ORDERED THAT** CenterPoint **SHALL** file with the regulatory authority no later than March 30, 2013, recalculations of its approved IRAs and an application for an annual IRA for the preceding calendar year. These recalculations shall be for CenterPoint's Houston Division as a whole.

**IT IS FURTHER ORDERED THAT** within 30 days of this order CenterPoint **SHALL** electronically file its IRA tariffs in proper form that accurately reflect the rates, as expressed in Exhibit B, approved by the Commission in this Order.

**IT IS FURTHER ORDERED THAT** the Company **SHALL** not charge any rate that has not been electronically filed and accepted by the Commission as a tariff.

**IT IS FURTHER ORDERED THAT** CenterPoint **SHALL** reimburse the expenses incurred by the Commission in reviewing these applications. The amount of this reimbursement shall be determined by the Director of the Gas Services Division and must be approved by the Commission.

This Order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this

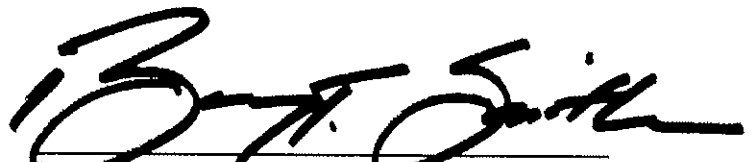
Order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T

CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Any portion of the Utility's application not expressly granted herein is overruled. All requested findings of fact and conclusions of law, which are not expressly adopted herein, are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

**SIGNED** this 11th day of September, 2012.

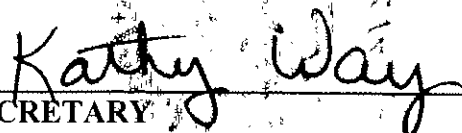
**RAILROAD COMMISSION OF TEXAS**

  
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BARRY T. SMITHERMAN  
CHAIRMAN

  
\_\_\_\_\_  
DAVID PORTER  
COMMISSIONER

  
\_\_\_\_\_  
BUDDY GARCIA  
COMMISSIONER

ATTEST

  
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SECRETARY

**GUD No. 10183**

**FINAL ORDER**

**EXHIBIT A**

**RATE SCHEDULES**

**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION  
RATE SHEET  
RESIDENTIAL SERVICE  
RATE SCHEDULE NO. R-2080-GRIP 2012**

**APPLICATION OF SCHEDULE**

This schedule is applicable to any customer to whom service is supplied in a single private dwelling unit and its appurtenances, the major use of which is for household appliances, and for the personal comfort and convenience of those residing therein.

Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others.

**MONTHLY RATE**

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

(a) The Base Rate consisting of:

- (1) Customer Charge – \$14.47; \*
- (2) Commodity Charge –  
All Ccf \$0.0308 per Ccf

(b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and applicable Franchise Fee Adjustment Rate Schedule.

(c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Ccf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

**PAYMENT**

Due date of the bill for service shall not be less than 15 days after issuance or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

**RULES AND REGULATIONS**

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

*Customer Charge	\$13.54
2011 GRIP Charge	.20
2012 GRIP Charge	.73
Total Customer Charge	\$14.47

Meters read on or after September 12, 2012

**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION  
RATE SHEET  
GENERAL SERVICE-SMALL  
RATE SCHEDULE NO. GSS-2080-GRIP 2012**

**APPLICATION OF SCHEDULE**

This schedule is applicable to natural gas service to any customer engaging in any business, professional or institutional activity, for all uses of gas, including cooking, heating, refrigeration, water heating, air conditioning, and power.

This schedule is applicable to any general service customer for commercial uses and industrial uses, except standby service, whose average monthly usage for the prior calendar year is 150,000 cubic feet or less. Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others.

**MONTHLY RATE**

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

- (a) The Base Rate consisting of:
  - (1) Customer Charge – \$15.98;\*
  - (2) Commodity Charge –  
All Ccf                    \$0.0403 per Ccf
- (b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and applicable Franchise Fee Adjustment Rate Schedule.
- (c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Ccf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

**PAYMENT**

Due date of the bill for service shall not be less than 15 days after issuance or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date

**RULES AND REGULATIONS**

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

*Customer Charge	\$14.59
2011 GRIP Charge	.29
2012 GRIP Charge	<u>1.10</u>
Total Customer Charge	\$15.98

Meters read on or after September 12, 2012

**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION  
RATE SHEET  
GENERAL SERVICE-LARGE VOLUME  
RATE SCHEDULE NO. GSLV-611-GRIP 2012**

**AVAILABILITY**

This schedule is available at points on existing facilities of adequate capacity and suitable pressure in the area designated in the Rate Book of **CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS** (hereinafter called "Company").

**APPLICATION OF SCHEDULE**

This schedule is applicable to any general service customer for commercial uses and industrial uses whose average monthly usage for the prior calendar year is more than 150,000 cubic feet. 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. If the Consumer has a written contract with Company, the terms and provision of such contract shall be controlling.

**MONTHLY RATE**

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

(a) The Base Rate consisting of:

- (1) Customer Charge – \$220.45; \*
- (2) Commodity Charge –  
All Ccf \$0.0554 per Ccf

(b) Tax Adjustment - The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and applicable Franchise Fee Adjustment Rate Schedule.

(c) Gas Cost Adjustment - The applicable Purchased Gas Adjustment (PGA) Rate - as calculated on a per Mcf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule - for all gas used.

**WRITTEN CONTRACT**

In order to receive a delivery from Company of more than 25 Mcf during any one day, the Consumer must execute a written contract with Company on Company's form of contract covering the sale of gas by Company to it. In the case of existing Consumers, the maximum gas usage during any one day shall be obtained from the records of the Company, except in cases where the existing Consumer will be purchasing increased volumes of gas from Company because of expansions or for any other reasons, in which event the Company may estimate usage by such Consumer. Also in the case of new Consumers, the Company may estimate usage by the Consumer. Any such estimates made by Company shall be binding on Consumer in determining whether or not a contract is required. Such written contract shall be executed by Consumer upon request of Company and Company shall not be obligated to serve any such Consumer more than 25 Mcf during any one day until such written contract is executed and delivered by Consumer.

*Customer Charge	\$191.00
2011 GRIP Charge	5.57
2012 GRIP Charge	<u>23.88</u>
Total Customer Charge	\$220.45

Meters read on or after September 12, 2012

**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION  
RATE SHEET  
GENERAL SERVICE-LARGE VOLUME  
RATE SCHEDULE NO. GSLV-611-GRIP 2012**

**MEASUREMENT**

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 14.95 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.

The Sales Unit shall be one Mcf.

**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.

**Orifice Meters** - 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 ("A.G.A. Report No. 3), 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 the temperature of the 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 for the period under consideration.

The specific gravity of the gas shall be determined by a recording gravitometer owned and operated by the pipeline company from whom Company purchases its gas, so installed that it may record the specific gravity of the gas flowing through the meter or meters; provided, however, that the results of spot tests made by the pipeline company with a standard type specific gravity instrument shall be used at locations where the pipeline company does not have a recording gravitometer in service. If the recording gravitometer is used, the average of the record to the nearest one-thousandth (0.001), obtained while 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 values as may be required 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.



**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION  
RATE SHEET  
GENERAL SERVICE-LARGE VOLUME  
RATE SCHEDULE NO. GSLV-611-GRIP 2012**

The volumes of gas determined shall be adjusted for the effect of supercompressibility as follows:

- (A) When the flowing temperature of gas is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor,  $F_{pv}$ , computed in accordance with the principles of the A.G. A. Report No. 3, hereinabove identified, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average pressure at which the gas was measured.
- (B) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor,  $F_{pv}$ , computed in accordance with the principles of the American Gas Association Gas 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.

**SUPPLY INTERRUPTIONS**

Total or partial interruption of gas deliveries due to acts of God, the elements, requirements for residential and other uses declared superior to Consumers by law, or to other causes or contingencies beyond the control of Company or not proximately caused by Company's negligence, shall not be the basis for claims-delivery and receipt of gas to be resumed whenever any such cause or contingency shall end.

**CHARGES FOR UNAUTHORIZED OVER-RUN GAS**

Any gas taken during any day by Consumer which exceeds the maximum daily quantity specified in Consumer's contract with Company shall be considered to be unauthorized over-run gas. Any gas taken by Consumer after the effective hour of an order calling for a complete curtailment of all gas deliveries, and prior to the authorized resumption of natural gas service, hereunder shall be considered to be unauthorized over-run gas. Any gas taken by Consumer after the effective hour of an order calling for a partial curtailment, and prior to the authorized resumption of natural gas service, which exceeds the stated amount of gas deliveries Consumer may take during such partial curtailment, shall be considered to be unauthorized over-run gas. Company shall bill, and Consumer shall pay for unauthorized over-run gas at the rate of \$10.00 per Mcf, in addition to the Monthly Rate specified herein for such gas. The payment of such additional charge for unauthorized over-run gas shall not, under any circumstances, be considered as giving the Consumer the right to take unauthorized over-run gas, nor shall such payment be considered to exclude or limit any other remedies available to Company against the Consumer for exceeding the maximum daily quantity specified in Consumer's contract with Company, or for failure to comply with curtailment orders issued by Company hereunder.

The additional amount specified above charged for unauthorized over-run gas shall be adjusted, either plus or minus, to conform to the change made by Company's supplier in its rate schedule under which Company purchases its gas supply for resale under this schedule.

**RULES AND REGULATIONS**

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

Meters read on or after September 12, 2012

**GUD No. 10183**

**FINAL ORDER**

**EXHIBIT B**

**IRA SCHEDULES**



**INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT**

**OF**

**CENTERPOINT ENERGY - HOUSTON DIVISION**

**TO THE**

**RAILROAD COMMISSION OF TEXAS**

**FOR THE**

**Twelve Month Period Ended December 31, 2011**

Check one:

This is an original submission  [ X ]

This is a revised submission  [ ]

Date of submission : *March 30, 2012*

**GENERAL QUESTIONS  
CENTERPOINT ENERGY - HOUSTON DIVISION**

If additional space is required, please attach pages providing the requested information.

1. State the exact name of the utility.

This report is for the Houston Division of  
CenterPoint Energy Resources Corp.  
d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas  
("CenterPoint Energy - Houston Division")

2. State the date when the utility was originally organized.

August 9, 1996

3. Report any change in name during the most recent year and state the effective date.

None.

4. State the name, title, phone number, email address, and office address of the officer of the utility to whom correspondence should be addressed concerning this report.

Scott Doyle  
Division VP, Regional Operations  
(713) 207-6700  
SCOTT.DOYLE@CENTERPOINTENERGY.COM  
P. O. Box 2628  
Houston, TX 77252-2628

5. State the name, title, phone number, email address, and office address of any other individual designated by the utility to answer questions regarding this report (optional).

Kelly Gauger  
Director, Financial Accounting  
KELLY.GAUGER@CENTERPOINTENERGY.COM  
(713) 207-7364  
P.O. Box 4567  
Houston, TX 77210-4567

6. State the location of the office where the Company's accounts and records are kept.

1111 Louisiana  
Houston, Texas 77002

7. IF THIS IS A REVISED REPORT, provide the schedule number, line number, and column designation where each change input data appears.

N/A

**NOTICE  
CENTERPOINT ENERGY - HOUSTON DIVISION**

1. **Attach Notice**

See attached notice

2. **Affidavit that Notice was Provided by Mail-out or Bill Insert**

See affidavit of Glenn R. Markwardt included in the filing package in the section marked "Affidavits"

**CUSTOMER NOTICE**

Pursuant to Texas Utilities Code Section 104.301, on March 30, 2012, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (the "Company") filed its annual Gas Reliability Infrastructure Program ("GRIP") rate adjustment with the Railroad Commission of Texas ("Commission") and with the cities in the Company's Houston Division. This annual GRIP rate adjustment will apply to all standard sales service customers served by the Company in the following cities and unincorporated areas comprising the Company's Houston Division:

Bellaire, Bunker Hill Village, Conroe, Cut & Shoot, Deer Park, Galena Park, Hedwig Village, Hillshire Village, Houston, Humble, Hunters Creek Village, Jacinto City, Jersey Village, Meadows Place, Missouri City, Montgomery, Nassau Bay, New Caney, New Waverly, Oak Ridge North, Panorama Village, Pasadena, Pincey Point Village, Porter, Roman Forest, Shenandoah, South Houston, Southside Place, Spring, Spring Valley, Stafford, The Woodlands, West University Place, and Willis.

Pursuant to the Commission's rules, this annual GRIP rate adjustment is designed to recover the incremental costs related to the capital investments the Company has made in its Houston Division natural gas distribution system during the 2011 calendar year. Those costs are incremental to and not included in the rates currently in effect for the Houston Division.

The planned effective date for the implementation of this annual GRIP rate adjustment is May 29, 2012; however, the regulatory authority may suspend its effective date by up to 45 days. Once it goes into effect, the customer charge for customers located in the foregoing cities and unincorporated areas within the Houston Division will be adjusted as follows:

Rate Schedules	Current Base Charge	2012 Interim Adjustment	Adjusted Charge
R-2080-GRIP 2012 Residential	\$13.74 per customer per month	\$0.73 per customer per month	\$14.47 per customer per month
GSS-2080-GRIP 2012 General Service Small	\$14.88 per customer per month	\$1.10 per customer per month	\$15.98 per customer per month
GSLV-611-GRIP 2012 General Service Large Volume	\$196.57 per customer per month	\$23.88 per customer per month	\$220.45 per customer per month

Persons with questions or who want more information about this filing may contact the Company at 877-827-8916. A copy of the filing will be posted at the following Web site: [www.centerpointenergy.com/houstongrip](http://www.centerpointenergy.com/houstongrip) and will be available for inspection during normal business hours at the Company's office located at 1111 Louisiana, Room 1952, Houston, Texas 77002. In addition, any affected person may file written comments or a protest concerning the proposed annual GRIP rate adjustment with the Gas Services Division, Market Oversight Section, Railroad Commission of Texas, P.O. Box 12967, Austin, Texas 78711-2967.

SUMMARY  
CENTERPOINT ENERGY - HOUSTON DIVISION  
Twelve Month Period Ended December 31, 2011

Line No.	Description (a)	Prior Year** (b)	Reference (c)	12/31/11 Current Year (d)	Reference (e)
1	Net Investment	\$ 440,070,171	(IRA-7, Ln. 87, Col. k)	\$ 491,515,665	(IRA-8, Ln. 67, Col. l)
2	Increase In Net Investment			\$ 51,236,487	((Ln. 1, Col. d) minus (Ln. 1, Col. b)); agree to IRA-6 Ln 67, Col. K.
3	Authorized Return on Capital			8.6505%	(IRA-15, Ln. 8, Col. d)
4					
5	Change In Return on Net Investment			\$ 4,432,213	(Ln. 2, Col. d) times (Ln. 3, Col. d)
6	Change In Depreciation Expense			\$ 2,848,675	(IRA-10, Ln. 67, Col. l) plus (IRA-13, Ln. 62, Col. l)
7	Change In Federal, Revenue, and Other Taxes			\$ 2,143,260	(IRA-5, Ln. 3, Col. g) plus (IRA-6, Ln. 22, Col. c) plus (IRA-6, Ln. 26, Col. C)
8	Change In Revenue Requirement			\$ 9,424,168	(Sum Ln. 5 thru 7, Col. d)
9					
10	Annual Number of Bills			11,509,656	(WP IRA-9a Cust Count Ln. 27)
11	Increase Per Bill Per Month			See Below	
12	(to be applied to monthly customer charge or initial block rate, check one)				
13	<input checked="" type="checkbox"/> Monthly Customer Charge				
14	<input type="checkbox"/> Initial Block Rate				
15					

Current and Proposed Bill Information - With Gas Cost and Riders				
	Current	Proposed	Difference	% Change
19 Residential Customers (R-2060):				
20 Average Monthly Bill* @ 35 Ccf (3.6 Mcf)	\$33.92	\$34.66	\$0.73	2.15%
21				
22 Commercial Customers (GSS-2060):				
23 Current Average Monthly Bill* @ 170 Ccf (17.0 Mcf)	\$114.28	\$115.36	\$1.10	0.96%
24				
25 General Service-Large Volume Customers (GSLV-611):				
26 Current Average Monthly Bill* @ 3,533 Ccf (353.3 Mcf)	\$2,313.68	\$2,337.56	\$23.88	1.03%
27				
28 * Average Use per month per GUD 9902 - Exh. HD-3, PGA and Riders - March 2012.				

Current and Proposed Bill Information - Without Gas Cost and Riders				
	Current	Proposed	Difference	% Change
32 Residential Customers (R-2060):				
33 Average Monthly Bill* @ 35 Ccf (3.6 Mcf)	\$14.82	\$15.55	\$0.73	4.93%
34				
35 Commercial Customers (GSS-2060):				
36 Current Average Monthly Bill* @ 170 Ccf (17.0 Mcf)	\$21.73	\$22.83	\$1.10	5.06%
37				
38 General Service-Large Volume Customers (GSLV-611):				
39 Current Average Monthly Bill* @ 3,533 Ccf (353.3 Mcf)	\$392.30	\$416.18	\$23.88	6.00%
40				
41 * Average Use per month per GUD 9902 - Exh. HD-3.				

\*\* Amounts per order GUD No. 10067 issued July 11, 2011.  
Net Investment represents year ended 12/31/2010.  
Amounts shown are Standard Sales Service



**TARIFF**  
**CENTERPOINT ENERGY - HOUSTON DIVISION**

Tariff Placeholder - Include New Interim Rate Adjustment Tariff in Filing Packet.  
(link to tariff website: <http://www.mc.state.tx.us/data/gaservices/gastariff/index.php>)

Proposed Implementation Date: May 29, 2012

Tariffs for Rate Schedules R, GSS, and GSLV customers are included in the filing package in the section marked 'Tariffs.'

REVENUE RELATED AND OTHER TAXES  
CENTERPOINT ENERGY - HOUSTON DIVISION  
Twelve Month Period Ended December 31, 2011

Line No.	Description	Total (1)	Adjustments	12 Month End As Adjusted (at Present Rates)	Adjustments (2)	12 Month End As Adjusted (at Proposed Rates)	Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Non Revenue - Related						
2							
3	Ad Valorem Tax	\$ 6,972,375	\$ -	\$ 6,972,375	\$ 438,399	\$ 7,410,774	\$ 438,399
4							
5	Revenue - Related						
6							
7	State Gross Receipts - Tax	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3
8	City Franchise Fee	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3
9	Over/Under Recovery of City and State GRT	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3
10	Pipeline Safety Fee	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4
11							
12	Total Revenue Related Taxes	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3
13							
14							
15							
16							
17	Notes:						
18	(1) Column (b) is the amount authorized in GUID No. 10067 - Standard Sales Service amount.						
19	(2) Adjustment based on same methodology from GUID No. 9902						
20	(3) Revenue-related taxes are recovered through tariff provisions other than the base tariff rates (i.e., Rider PFA-3 and Rider TA-9).						
21	(4) Pipeline Safety fee collected pursuant to Rule §8.201—Pipeline Safety Program Fees, Texas Administrative Code as applicable to the Railroad Commission of Texas.						

(2) Adjustment	Division	Allocation Factor*	Standard
Gross Plant at 12/31/11	\$ 965,883,127	98.70%	\$ 958,817,897
Storage Gas - 12 Month Average at 12/31/11	14,183,287	94.92%	13,482,144
Gross Plant + Storage Gas	\$ 980,066,414		\$ 966,780,041
Ad Valorem Tax Rate per GUID 9902			0.76654%
Ad Valorem Tax at 12/31/11			\$ 7,410,774
Ad Valorem Tax per GUID 10067			\$ 6,972,375
Change			\$ 438,399

\* Allocation Factor Rates established per GUID 9902

FEDERAL INCOME TAX  
CENTERPOINT ENERGY - HOUSTON DIVISION  
Period Ended December 31, 2011

Line No.	Description	PRIOR YEAR (1)		CURRENT YEAR (2)	
		(b)	Amount (c)	(d)	Amount (e)
1	Return on Investment				
2	Invested Capital (Rate Base)	\$ 384,970,871		\$ 416,206,868	
3	Rate of Return (IRA-15, Ln. 8, Col. c)	8.6505%		8.6505%	
4	Return on Investment		\$ 31,571,762		\$ 36,003,875
5					
6	Interest Expense				
7	Invested Capital (Rate Base)	\$ 384,970,871		\$ 416,206,868	
8	Weighted Cost of Debt (IRA-15, Ln. 4, Col. c)	2.8125%		2.8125%	
9	Interest Expense		\$ 10,264,782		\$ 11,706,818
10					
11	After Tax Income		\$ 21,306,970		\$ 24,288,157
12					
13	Gross-up Factor	$=1+(C17/(1-C17))$	1.538481538	$=1+(E17/(1-E17))$	1.538481538
14					
15	Before Tax Return		\$ 32,778,954		\$ 37,961,780
16					
17	Federal Income Tax Rate		35.00%		35.00%
18					
19	Federal Income Tax		\$ 11,472,984		\$ 13,083,623
20					
21					
22	CHANGE IN FEDERAL INCOME TAX		\$ 1,610,659		
23					
24	Incremental Texas Gross Margin Tax Base (IRA-3 Line 8, col. d)		\$ 9,424,168		
25	Texas Gross Margin Tax Rate		1.0%		
26	CHANGE IN STATE MARGIN TAX		\$ 94,242		

(1) Amounts per GUD No. 10067 - Standard Sales Service amounts.  
(2) Amounts in Col. b plus IRA-3, Ln 2, Col. D

Investment Detail - Premiums  
CENTERPOINT ENERGY - HOUSTON DIVISION  
As of December 31, 2019

Line No.	NARHC Account No.	Note: FIA	FERC Account No.	F.E.R.C. Account Title	Original Cost	Approved Depreciation Rate	Annual Depreciation	Accumulated Depreciation	Net Plant	Standard Allocation	Standard Account
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1		(1)		<b>1. INTANGIBLE PLANT</b>							
2	302		302-8010	Intangible Plant - Franchises & Consents	\$ 4,918	0.000%	\$ -	\$ -	\$ 4,918		
3	303		303-8006	Intangible Plant - Software	9,710,806	15.000%	971,040	5,701,828	4,008,978		
4	303		303-8036	Intangible Plant - Software	218,858	25.000%	42,782	74,880	143,976		
5	303		303-8036	Intangible Plant - Software	1,811,807	0.000%	-	1,811,807	-		
6	303		303-8036	Intangible Plant - Software	2,794,377	0.000%	-	2,794,377	-		
7	303		303-8060	Intangible Plant - Software	1,588,228	0.000%	-	1,588,228	-		
8	303		303-8050	Intangible Plant - Software	10,080,981	0.000%	-	10,080,981	-		
9											
10				<b>Subtotal</b>	<b>\$ 28,163,954</b>		<b>\$ 1,013,822</b>	<b>\$ 12,200,872</b>	<b>\$ 4,165,984</b>		
11		(1)		<b>5. DISTRIBUTION PLANT</b>							
12											
13	374		374-8940	Dist. - Land	\$ 4,149,168	0.000%	-	\$ (271)	\$ 4,149,439		
14	374		374-8980	Dist. - Land Rights	891,836	1.800%	11,180	808,020	386,518		
15	375		375-8900	Dist. - Struct.-City Gate/Hd. Incl. Meas/Reg Dist Eq	909,848	2.800%	23,668	419,487	460,011		
16	376		376-8940	Dist. - Meters	3,882,178	0.000%	-	4,408,717	(1,216,639)		
17	376		376-8951	Dist. - Meters	183,288,338	3.170%	5,810,867	121,268,140	81,020,198		
18	376		376-8952	Dist. - Meters	178,887,876	2.850%	5,277,186	65,111,778	103,776,098		
19	378		378-8880	Dist. - Measuring & Regulating Dist Eq - General	5,467,858	4.480%	243,828	2,310,221	3,157,637		
20	378		378-7000	Dist. - Measuring & Regulating Dist Eq - General	118,543	7.250%	8,594	(80,518)	199,061		
21	378		378-7010	Dist. - Measuring & Regulating Dist Eq - General	12,018,701	2.800%	335,789	4,888,479	7,130,222		
22	380		380-7022	Dist. - Services	30,738,888	3.488%	1,271,885	36,364,161	1,365,803		
23	380		380-7028	Dist. - Services	248,848,891	3.488%	8,877,770	119,051,488	139,797,403		
24	381		381-7050	Dist. - Meters	48,188,524	2.800%	1,358,883	16,836,803	31,351,721		
25	382		382-7080	Dist. - Meter Installations	78,881,187	3.870%	2,725,797	32,088,872	46,792,315		
26	382		382-7090	Dist. - Meter Installations	28,214,436	4.710%	1,008,400	14,043,454	14,171,000		
27	383		383-7180	Dist. - Regulators	19,354,187	4.780%	925,180	4,876,543	14,477,644		
28	383		383-7180	Dist. - Regulators	-	8.570%	-	-	-		
29	383		383-7180	Dist. - Regulators	1,886,885	1.820%	38,228	1,182,724	674,161		
30	383		383-7180	Dist. - Regulators	-	3.370%	-	-	-		
31	385		385-7360	Dist. - Industrial Meas/Reg Station Equipment	1,722,488	8.820%	85,708	600,831	1,091,657		
32	386		386-7167	Dist. - Other Property on Customer Premises	-	2.330%	-	(2,827)	2,827		
33	387		387-7180	Dist. - Other Equipment	2,845,088	4.450%	99,273	1,883,580	861,508		
34											
35				<b>Subtotal</b>	<b>\$ 848,112,436</b>		<b>\$ 27,878,580</b>	<b>\$ 438,211,306</b>	<b>\$ 418,891,130</b>		
36											
37		(1)		<b>6. GENERAL PLANT</b>							
38											
39	388		388-7180	Gen. - Land	\$ 28,207	0.000%	\$ -	\$ -	\$ 28,207		
40	390		390-7260	Gen. - Structures & Improvements	544,085	2.570%	18,851	77,879	566,948		
41	390		390-7226	Gen. - Struct. & Improv. - Leasehold Improvements	1,151,000	0.100%	1,101	(1,210,180)	2,361,196		
42	391		391-7230	Gen. - Office Furniture/Equipment	-	5.300%	-	(18,288)	18,288		
43	391		391-7232	Gen. - Office Furniture/Equipment	1,488,718	5.000%	74,486	548,002	940,634		
44	391		391-7260	Gen. - Computer Hardware	1,853,881	14.200%	286,340	1,325,884	528,007		
45	392		392-7300	Gen. - Transportation Equipment	198,874	12.800%	24,484	(21,088)	218,870		
46	392		392-7820	Gen. - Transportation Equipment	13,381,289	12.500%	1,672,889	7,030,429	6,350,860		
47	392		392-7340	Gen. - Transportation Equipment	491,796	18.800%	81,474	174,189	317,606		
48	398		398-7366	Gen. - Store Equipment	-	5.870%	-	(2,877)	2,877		
49	394		394-7882	Gen. - Tools, Shop, & Garage Equipment	1,848,058	8.280%	128,036	(1,884,323)	3,213,379		
50	394		394-7884	Gen. - Tools, Shop, & Garage Equipment	1,282	8.280%	104	449	809		
51	394		394-7886	Gen. - Tools, Shop, & Garage Equipment	3,400	8.280%	283	(24,181)	27,880		
52	398		398-7870	Gen. - Laboratory Equipment	82,378	5.000%	4,284	8,804	76,882		
53	398		398-7890	Gen. - Power Operated Equipment	1,528,094	12.800%	190,784	528,008	899,806		
54	397		397-7360	Gen. - Communication Equipment - Telecom	5,182,822	5.000%	268,848	1,868,408	3,314,314		
55	397		397-7430	Gen. - Communication Equipment - Meter PERFORM	8,310,451	5.880%	220,840	1,081,182	2,868,269		
56	398		398-7480	Gen. - Miscellaneous Equipment	454,518	8.570%	30,480	(296,785)	786,304		
57											
58				<b>Subtotal</b>	<b>\$ 31,898,888</b>		<b>\$ 2,819,578</b>	<b>\$ 3,321,388</b>	<b>\$ 22,577,474</b>		
59											
60				<b>TOTAL</b>	<b>\$ 905,085,928</b>		<b>\$ 21,810,008</b>	<b>\$ 480,824,101</b>	<b>\$ 424,261,827</b>		
61		(2)		Retirement Work in Progress				1570,183	578,142		
62				<b>Adjusted Total</b>	<b>\$ 905,085,928</b>		<b>\$ 21,810,008</b>	<b>\$ 482,394,284</b>	<b>\$ 424,839,969</b>		
63											
64											
65											
66											
67				Less of travel, meals, business entertainment	122,804				122,804	68.7%	122,804
					<b>\$ 808,843,584</b>		<b>\$ 21,810,008</b>	<b>\$ 482,271,480</b>	<b>\$ 424,717,165</b>	68.7%	<b>\$ 440,678,171</b>

Investment Detail - Current  
CENTERPOINT ENERGY - HOUSTON DIVISION  
As of December 31, 2011

Line No.	NARLIC Account No.	FERC Kels: WRA-11 No.	F.E.R.C. Account Titles	Original Cost	Approved Depreciation Rate	Annual Depreciation	Accumulated Depreciation	Net Plant	Standard Allowance	Standard Account
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1		(1)	<b>1. INTANGIBLE PLANT</b>							
2	302		302-6010 Intangible Plant - Franchises & Concessions	\$ 4,913	0.000%	\$ -	\$ -	\$ 4,913		
3	303		303-6035 Intangible Plant - Software	9,728,638	10.000%	972,864	6,880,003	3,047,577		
4	303		303-6035 Intangible Plant - Software	284,672	20.000%	56,934	122,798	161,878		
5	303		303-6035 Intangible Plant - Software	1,815,252	0.000%	-	1,815,252	-		
6	303		303-6035 Intangible Plant - Software	2,784,817	0.000%	-	2,784,817	-		
7	303		303-6060 Intangible Plant - Software	1,841,118	0.000%	-	1,841,118	-		
8	303		303-6060 Intangible Plant - Software	10,086,083	0.000%	-	10,086,083	-		
9										
10			Subtotal	\$ 26,287,893		\$ 1,029,798	\$ 23,698,635	\$ 3,314,548		
11										
12		(1)	<b>5. DISTRIBUTION PLANT</b>							
13	374		574-6840 Dist. - Land	\$ 4,206,078	0.000%	\$ -	\$ (271)	\$ 4,205,849		
14	374		574-6860 Dist. - Land Rights	961,872	1.600%	11,182	280,511	961,181		
15	375		575-6900 Dist. - Struct.-City Gate/All. Ind. Meas/Reg Stat Eq	908,488	2.500%	22,854	443,043	466,455		
16	378		578-6940 Dist. - Meters	3,282,179	0.000%	-	4,441,187	(1,158,918)		
17	378		578-6951 Dist. - Meters	193,197,885	8.178%	8,187,757	194,678,488	70,818,802		
18	378		578-6980 Dist. - Meters	186,860,651	2.989%	5,486,724	73,828,841	112,040,710		
19	378		578-7000 Dist. - Measuring & Regulating Stat Eq - General	5,804,734	4.488%	249,871	2,485,784	3,148,840		
20	378		578-7000 Dist. - Measuring & Regulating Stat Eq - General	748,983	7.288%	54,154	(51,886)	798,848		
21	379		579-7010 Dist. - Measuring & Regulating Stat Eq - General	11,508,859	2.988%	340,469	4,083,049	7,440,210		
22	380		580-7022 Dist. - Services	35,125,838	3.488%	1,215,700	38,978,571	1,188,265		
23	380		580-7028 Dist. - Services	256,519,736	3.480%	8,962,639	127,858,096	128,963,643		
24	381		581-7050 Dist. - Meters	50,824,725	2.580%	1,308,873	16,089,760	36,845,875		
25	381		581-7075 Dist. - Meters	-	5.850%	-	-	-		
26	382		582-7060 Dist. - Meter Installations	73,828,848	3.570%	2,828,545	27,395,883	46,030,815		
27	382		582-7060 Dist. - Meter Installations	24,187,905	4.710%	1,136,308	16,820,862	8,247,253		
28	385		585-7120 Dist. - Regulators	28,180,138	4.780%	984,811	5,114,889	15,065,297		
29	385		585-7120 Dist. - Regulators	-	3.870%	-	-	-		
30	385		585-7130 Dist. - Regulators	832,177	1.920%	12,548	181,963	680,184		
31	385		585-7130 Dist. - Regulators	-	3.370%	-	-	-		
32	385		585-7450 Dist. - Industrial Meas/Reg Station Equipment	1,774,862	3.820%	67,804	749,416	1,025,548		
33	386		586-7157 Dist. - Other Property on Customer Premises	-	2.330%	-	(2,827)	2,827		
34	387		587-7160 Dist. - Other Equipment	2,161,538	4.420%	96,640	1,878,813	485,326		
35										
36			Subtotal	\$ 873,427,154		\$ 28,738,210	\$ 438,589,877	\$ 434,836,877		
37										
38		(1)	<b>6. GENERAL PLANT</b>							
39	389		389-7180 Gen. - Land	\$ 28,307	0.000%	\$ -	\$ -	\$ 28,307		
40	390		390-7238 Gen. - Structures & Improvements	674,814	2.570%	17,288	80,660	583,564		
41	390		390-7238 Gen. - Structures & Improvements	1,151,182	0.100%	1,161	(1,218,965)	2,361,277		
42	391		391-7238 Gen. - Office Furniture/Equipment	-	5.000%	-	(18,295)	18,295		
43	391		391-7232 Gen. - Office Furniture/Equipment	1,451,874	5.000%	72,599	549,860	902,384		
44	391		391-7288 Gen. - Computer Hardware	1,820,435	14.290%	231,360	1,238,111	591,324		
45	392		392-7300 Gen. - Transportation Equipment	200,488	12.500%	26,060	3,448	187,084		
46	392		392-7320 Gen. - Transportation Equipment	19,871,428	12.500%	1,746,428	7,269,878	6,580,548		
47	392		392-7340 Gen. - Transportation Equipment	506,936	12.500%	63,742	237,427	272,509		
48	393		393-7365 Gen. - Stores Equipment	-	8.670%	-	(2,807)	2,807		
49	394		394-7382 Gen. - Tools, Shop, & Garage Equipment	2,046,826	8.230%	170,758	(1,520,310)	3,570,288		
50	394		394-7384 Gen. - Tools, Shop, & Garage Equipment	1,148	8.300%	96	439	709		
51	394		394-7386 Gen. - Tools, Shop, & Garage Equipment	3,118	8.300%	258	(24,142)	27,288		
52	395		395-7370 Gen. - Laboratory Equipment	85,221	8.000%	4,281	18,802	71,419		
53	396		396-7380 Gen. - Power Operated Equipment	1,322,994	12.500%	160,374	628,042	694,952		
54	397		397-7390 Gen. - Communication Equipment - Telecom	5,088,391	5.000%	254,789	2,065,821	3,030,640		
55	397		397-7420 Gen. - Communication Equipment - Meter RATHERTE	37,340,539	5.680%	2,108,740	(1,617,271)	38,851,810		
56	398		398-7480 Gen. - Miscellaneous Equipment	481,646	6.670%	32,119	(299,825)	781,171		
57										
58			Subtotal	\$ 86,185,105		\$ 4,820,255	\$ 7,618,901	\$ 86,580,204		
59										
60			<b>TOTAL</b>	\$ 983,883,158		\$ 34,888,263	\$ 469,261,411	\$ 486,421,747		
61		(2)	Redeemed Work in Progress	-		-	(1,189,751)	1,189,751		
62			Adjusted Total	\$ 983,883,158		\$ 34,888,263	\$ 468,071,660	\$ 487,611,498	98.7%	\$ 481,316,659
63										
64										
65										
66			Less all travel, meals, business entertainment	31		-	-	31	98.7%	31
67				\$ 983,883,127		\$ 34,888,263	\$ 468,071,660	\$ 487,611,467	98.7%	\$ 481,316,659

Investment Detail  
(Investment To Be Recovered Through Interest Filings)  
CENTERPOINT ENERGY - HOUSTON DIVISION  
Twelve Month Period Ended December 31, 2011

Line No.	MARUC Account No.	PERC Note #	PERC IRA Account No.	F.I.R.C. Account Title	Original Cost	NRIC Approved Depreciation Rate	Accum. Depreciation	Accumulated Depreciation	Net Plant	Standard Allocation	Standard Amount
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1		(1)		<b>I. INTANGIBLE PLANT</b>							
2	302	(3)	302-8010	Intangible Plant - Franchise & Consents	0	0.000%	-	-	0		
3	305	(3)	305-8096	Intangible Plant - Software	18,140	10.800%	1,814	879,684	(861,485)		
4	305	(3)	305-8095	Intangible Plant - Software	70,718	20.800%	14,142	47,086	22,777		
5	303	(3)	303-8085	Intangible Plant - Software	5,365	0.000%	-	3,585	-		
6	303	(3)	303-8085	Intangible Plant - Software	(0)	0.000%	-	(0)	-		
7	303	(3)	303-8080	Intangible Plant - Software	2,874	0.000%	-	2,874	-		
8	303	(3)	303-8080	Intangible Plant - Software	18,832	0.000%	-	18,832	-		
9											
10				<b>Subtotal</b>	<b>113,843</b>		<b>18,966</b>	<b>1,052,681</b>	<b>(838,718)</b>		
11											
12		(1)		<b>II. DISTRIBUTION PLANT</b>							
13	374	(3)	374-8540	Dist. - Land	55,919	0.000%	-	0	55,919		
14	374	(3)	374-8980	Dist. - Land Rights	184	1.800%	2	14,491	(14,287)		
15	375	(3)	375-8800	Dist. - Struct.-City Gas/Alt. Inc. Meter/Reg. Stat. Eq.	(0)	2.800%	(0)	23,886	(23,886)		
16	376	(3)	376-8940	Dist. - Meters	(0)	0.000%	-	(57,523)	57,523		
17	378	(3)	378-8951	Dist. - Meters	11,869,089	3.170%	377,200	3,495,348	8,413,716		
18	378	(3)	378-8982	Dist. - Meters	7,108,018	2.850%	209,239	4,818,168	2,289,848		
19	378	(3)	378-8980	Dist. - Measuring & Regulating Stat. Eq. - General	137,088	4.480%	6,113	145,568	(8,497)		
20	378	(3)	378-7000	Dist. - Measuring & Regulating Stat. Eq. - General	826,410	7.250%	45,580	28,518	580,882		
21	379	(3)	379-7010	Dist. - Measuring & Regulating Stat. Eq. - General	(518,342)	2.800%	(10,284)	(826,424)	110,082		
22	380	(3)	380-7022	Dist. - Services	(1,823,848)	3.480%	(56,185)	(1,287,580)	(236,253)		
23	380	(3)	380-7023	Dist. - Services	7,873,047	3.480%	274,789	8,584,827	(721,581)		
24	381	(3)	381-7059	Dist. - Meters	1,758,201	2.800%	48,010	(1,654,853)	3,913,054		
25	381	(3)	381-7075	Dist. - Meters	-	5.850%	-	-	-		
26	382	(3)	382-7080	Dist. - Meter Installations	(2,722,519)	3.570%	(87,794)	(4,463,239)	1,770,720		
27	382	(3)	382-7090	Dist. - Meter Installations	953,408	4.710%	44,805	1,077,988	(123,782)		
28	383	(3)	383-7120	Dist. - Regulators	826,948	4.780%	39,481	239,296	586,863		
29	383	(3)	383-7120	Dist. - Regulators	-	3.370%	-	-	-		
30	383	(3)	383-7130	Dist. - Regulators	(1,024,788)	1.620%	(15,577)	(1,000,731)	(84,057)		
31	383	(3)	383-7180	Dist. - Regulators	-	3.370%	-	-	-		
32	385	(3)	385-7180	Dist. - Industrial Meter/Reg. Station Equipment	82,463	3.820%	2,006	88,586	(6,122)		
33	386	(3)	386-7187	Dist. - Other Property on Customer Premises	-	2.330%	-	0	(0)		
34	387	(3)	387-7180	Dist. - Other Equipment	(84,458)	4.480%	(3,733)	12,793	(87,232)		
35											
36		(3)		<b>Subtotal</b>	<b>25,314,713</b>		<b>856,612</b>	<b>9,277,772</b>	<b>15,290,347</b>		
37											
38		(1)		<b>III. GENERAL PLANT</b>							
39	398	(3)	398-7180	Gen. - Land	0	0.000%	-	-	0		
40	390	(3)	390-7208	Gen. - Structures & Improvements	30,589	2.570%	787	13,511	16,978		
41	390	(3)	390-7225	Gen. - Struct. & Impr. - Leasehold Improvements	182	0.100%	-	100	82		
42	391	(3)	391-7280	Gen. - Office Furniture/Equipment	-	5.000%	-	0	(0)		
43	391	(3)	391-7282	Gen. - Office Furniture/Equipment	(36,742)	5.000%	(1,837)	1,898	(38,340)		
44	391	(3)	391-7280	Gen. - Computer Hardware	(33,448)	14.280%	(4,780)	(88,513)	83,087		
45	392	(3)	392-7300	Gen. - Transportation Equipment	4,800	12.500%	576	24,544	(19,338)		
46	392	(3)	392-7380	Gen. - Transportation Equipment	580,180	12.500%	78,786	378,446	219,894		
47	392	(3)	392-7340	Gen. - Transportation Equipment	18,141	12.500%	2,288	83,236	(44,088)		
48	393	(3)	393-7358	Gen. - Storage Equipment	-	5.570%	-	(0)	0		
49	394	(3)	394-7382	Gen. - Tools, Shop, & Garage Equipment	500,870	8.330%	41,723	144,013	356,857		
50	394	(3)	394-7384	Gen. - Tools, Shop, & Garage Equipment	(104)	8.330%	(8)	(4)	(100)		
51	394	(3)	394-7386	Gen. - Tools, Shop, & Garage Equipment	(284)	6.330%	(23)	(11)	(272)		
52	395	(3)	395-7570	Gen. - Laboratory Equipment	(85)	5.000%	(5)	4,308	(4,283)		
53	396	(3)	396-7380	Gen. - Power Operated Equipment	(3,040)	12.500%	(380)	100,038	(103,078)		
54	397	(3)	397-7380	Gen. - Communication Equipment - Telecom	(37,581)	5.000%	(1,878)	208,815	(247,473)		
55	397	(3)	397-7420	Gen. - Communication Equipment - Meter REPORTS	33,430,088	5.850%	1,888,800	(2,568,468)	85,888,551		
56	398	(3)	398-7480	Gen. - Miscellaneous Equipment	25,088	5.570%	1,889	30,161	(3,183)		
57											
58		(3)		<b>Subtotal</b>	<b>34,488,467</b>		<b>2,000,679</b>	<b>(1,708,125)</b>	<b>58,381,530</b>		
59											
60		(3)		<b>TOTAL</b>	<b>69,817,070</b>		<b>2,878,247</b>	<b>8,727,510</b>	<b>51,199,769</b>		
61	(2), (3)			Retirement Work In Progress	-		-	(889,588)	889,588		
62	(3)			Adjusted Total	<b>69,817,070</b>		<b>2,878,247</b>	<b>8,127,721</b>	<b>51,788,546</b>		
63											
64											
65											
66	(3)			Less all travel, meals, business entertainment	(122,473)		-	-	(122,473)		
67					<b>69,694,597</b>		<b>2,878,247</b>	<b>8,127,721</b>	<b>51,391,551</b>		

Investment Detail - Additions  
CENTERPOINT ENERGY - HOUSTON DIVISION  
Twelve Month Period Ending December 31, 2011

Line No.	NARUC Account No.	Note:	FERC Account No.	F.I.R.C. Account Title	Original Cost	Approved Depreciation Rate	Annual Depreciation	Accumulated Depreciation	Net Plant	Standard Allocation	Depreciation Standard Amount
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1		(1)		<b>1. INTANGIBLE PLANT</b>							
2	302		302-8010	Intangible Plant - Franchises & Contracts	\$ -	0.000%	\$ -	\$ -	\$ -		
3	303		303-8036	Intangible Plant - Software	-	10.000%	-	-	-		
4	303		303-8036	Intangible Plant - Software	70,514	20.000%	14,083	-	-		
5	303		303-8036	Intangible Plant - Software	-	0.000%	-	-	-		
6	303		303-8036	Intangible Plant - Software	-	0.000%	-	-	-		
7	303		303-8036	Intangible Plant - Software	-	0.000%	-	-	-		
8	303		303-8036	Intangible Plant - Software	-	0.000%	-	-	-		
9											
10				Subtotal	\$ 70,514		\$ 14,083	\$ -	\$ -		
11											
12		(1)		<b>2. DISTRIBUTION PLANT</b>							
13	374		374-8840	Dist. - Land	\$ 55,010	0.000%	\$ -	\$ -	\$ -		
14	374		374-8880	Dist. - Land Rights	134	1.880%	-	2	-		
15	375		375-8900	Dist. - Struct.-City Gate/ML, Incl. Meter/Reg Stat Eq	-	2.680%	-	-	-		
16	378		378-8940	Dist. - Meters	-	0.000%	-	-	-		
17	378		378-8951	Dist. - Meters	13,824,475	3.170%	431,806	-	-		
18	378		378-8952	Dist. - Meters	7,488,839	2.950%	220,027	-	-		
19	378		378-8980	Dist. - Measuring & Regulating Stat Eq - General	228,962	4.480%	10,122	-	-		
20	378		378-7000	Dist. - Measuring & Regulating Stat Eq - General	828,410	7.250%	45,500	-	-		
21	378		378-7010	Dist. - Measuring & Regulating Stat Eq - General	427,370	2.960%	12,530	-	-		
22	380		380-7082	Dist. - Services	148,805	3.400%	5,149	-	-		
23	380		380-7023	Dist. - Services	8,379,923	3.460%	292,439	-	-		
24	381		381-7050	Dist. - Meters	4,572,486	2.860%	117,056	-	-		
25	381		381-7075	Dist. - Meters	-	5.860%	-	-	-		
26	382		382-7060	Dist. - Meter Installations	4,348,471	3.570%	155,278	-	-		
27	382		382-7080	Dist. - Meter Installations	980,145	4.710%	46,165	-	-		
28	383		383-7120	Dist. - Regulators	1,823,894	4.780%	72,828	-	-		
29	383		383-7120	Dist. - Regulators	-	3.570%	-	-	-		
30	383		383-7130	Dist. - Regulators	-	1.880%	-	-	-		
31	383		383-7130	Dist. - Regulators	-	3.570%	-	-	-		
32	385		385-7160	Dist. - Industrial Meter/Reg Station Equipment	66,869	3.820%	2,360	-	-		
33	386		386-7167	Dist. - Other Property on Customer Premises	-	2.330%	-	-	-		
34	387		387-7180	Dist. - Other Equipment	-	4.420%	-	-	-		
35											
36				Subtotal	\$ 42,435,134		\$ 1,411,440	\$ -	\$ -		
37											
38		(1)		<b>3. GENERAL PLANT</b>							
39	389		389-7180	Gen. - Land	\$ -	0.000%	\$ -	\$ -	\$ -		
40	390		390-7200	Gen. - Structures & Improvements	33,677	2.670%	885	-	-		
41	390		390-7225	Gen. - Struct. & Imprv. - Leasehold Improvements	-	0.100%	-	-	-		
42	391		391-7230	Gen. - Office Furniture/Equipment	-	5.000%	-	-	-		
43	391		391-7232	Gen. - Office Furniture/Equipment	-	5.000%	-	-	-		
44	391		391-7280	Gen. - Computer Hardware	-	14.290%	-	-	-		
45	392		392-7300	Gen. - Transportation Equipment	4,585	12.800%	573	-	-		
46	392		392-7320	Gen. - Transportation Equipment	2,124,101	12.800%	265,513	-	-		
47	392		392-7340	Gen. - Transportation Equipment	16,141	12.800%	2,088	-	-		
48	393		393-7355	Gen. - Stores Equipment	-	8.670%	-	-	-		
49	394		394-7362	Gen. - Tools, Shop, & Garage Equipment	501,189	8.330%	41,749	-	-		
50	394		394-7364	Gen. - Tools, Shop, & Garage Equipment	-	8.380%	-	-	-		
51	394		394-7368	Gen. - Tools, Shop, & Garage Equipment	-	8.380%	-	-	-		
52	395		395-7370	Gen. - Laboratory Equipment	-	5.000%	-	-	-		
53	396		396-7380	Gen. - Power Operated Equipment	117,830	12.800%	14,704	-	-		
54	397		397-7390	Gen. - Communication Equipment - Telecom	7,822	5.000%	391	-	-		
55	397		397-7420	Gen. - Communication Equipment - Meter Rd/ERTS	36,310,427	5.690%	2,051,639	-	-		
56	398		398-7450	Gen. - Miscellaneous Equipment	28,057	8.670%	1,738	-	-		
57											
58				Subtotal	\$ 39,145,430		\$ 2,378,830	\$ -	\$ -		
59											
60				<b>TOTAL</b>	\$ 81,648,868		\$ 3,804,833	\$ -	\$ -		
61		(2)		Retirement Work In Progress	\$ -		\$ -	\$ -	\$ -		
62				Adjusted Total	\$ 81,648,868	4.6800%	\$ 3,804,833	\$ -	\$ -	08.80000%	\$ 2,785,338
63											
64											
65											
66				Less all travel, meals, business entertainment	31	4.6800%	1	-	-	08.80000%	\$ 1
67					\$ 81,648,837		\$ 3,804,833	\$ -	\$ -	08.80000%	\$ 2,785,338

INVESTMENT DETAIL  
CENTERPOINT ENERGY - HOUSTON DIVISION  
FOOTNOTES

1. Only applicable FERC functions are included in the report.
2. Retirement Work In Progress is included in the report.
3. This schedule takes the difference between schedules IRA-6 and IRA-7.



**Infrastructure Detail - Additions and Retirements Summary  
CenterPoint Energy - Houston Division  
For the period of January 1, 2011 through December 31, 2011**

<b>Ending Book Plant Balance as of 12/31/2011 (IRA-8)</b>	<b>\$</b>	<b><u>965,883,158.00</u></b>
<b>Reconciliation:</b>		
Plant Balance as of GUD No. 10067 (IRA-7)	\$	905,968,088.00
2011 Additions (IRA-12 2011 Additions)	\$	81,648,856.00
2011 Retirements (IRA-14 2011 Retirements)	\$	(21,686,673.00)
Differences resulting from allocation factor changes between 2010 and current allocation 2011 factors	\$	57,771.00
Intra Company and Inter Company Additions and Retirements not reflected in the Additions and Retirements for 2011	\$	(102,885.00)
Rounding Differences	\$	1.00
<b>Ending Balance</b>	<b>\$</b>	<b><u>965,883,158.00</u></b>

Investment Detail - Retirements  
CENTERPOINT ENERGY - HOUSTON DIVISION  
Twelve Month Period Ending December 31, 2011

Line No.	NARPC Account No.	Note:	PERC Account No.	F.B./C. Account Titles	Original Cost	RRC Approved Depreciation Rate	Annual Depreciation	Accumulated Depreciation	Net Plant	Standard Allowance	Depreciation Standard Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
1				<b>1. INTANGIBLE PLANT</b>							
2	302	(1)	302-8010	Intangible Plant - Franchise & Contracts	\$ -	0.000%	\$ -	\$ -	\$ -		
3	303		303-8085	Intangible Plant - Software	-	10.000%	-	-	-		
4	303		303-8095	Intangible Plant - Software	-	20.000%	-	-	-		
5	303		303-8095	Intangible Plant - Software	-	0.000%	-	-	-		
6	303		303-8085	Intangible Plant - Software	-	0.000%	-	-	-		
7	303		303-8080	Intangible Plant - Software	-	0.000%	-	-	-		
8	303		303-8090	Intangible Plant - Software	-	0.000%	-	-	-		
9											
10				Subtotal	\$ -		\$ -	\$ -	\$ -		
11											
12		(1)		<b>5. DISTRIBUTION PLANT</b>							
13	374		374-8840	Dist. - Land	\$ -	0.000%	\$ -	\$ -	\$ -		
14	374		374-8880	Dist. - Land Rights	-	1.880%	-	-	-		
15	375		375-8900	Dist. - Struct.-City Gate/ML, incl. Meter/Reg. Stat. Eq.	-	2.880%	-	-	-		
16	376		376-8940	Dist. - Meters	-	0.000%	-	-	-		
17	376		376-8961	Dist. - Meters	(1,725,415)	3.170%	(54,886)	-	-		
18	376		376-8952	Dist. - Meters	(355,423)	2.800%	(10,488)	-	-		
19	378		378-8980	Dist. - Measuring & Regulating Stat. Eq. - General	(86,868)	4.480%	(4,036)	-	-		
20	378		378-7000	Dist. - Measuring & Regulating Stat. Eq. - General	-	7.250%	-	-	-		
21	379		379-7010	Dist. - Measuring & Regulating Stat. Eq. - General	(843,713)	2.800%	(27,834)	-	-		
22	380		380-7022	Dist. - Services	(1,772,848)	3.480%	(61,334)	-	-		
23	380		380-7023	Dist. - Services	(308,877)	3.480%	(17,860)	-	-		
24	381		381-7080	Dist. - Meters	(2,848,482)	2.880%	(72,828)	-	-		
25	381		381-7078	Dist. - Meters	-	5.850%	-	-	-		
26	382		382-7080	Dist. - Meter Installations	(7,071,800)	3.670%	(252,470)	-	-		
27	382		382-7080	Dist. - Meter Installations	(26,738)	4.710%	(1,258)	-	-		
28	383		383-7120	Dist. - Regulators	(700,768)	4.780%	(33,497)	-	-		
29	383		383-7120	Dist. - Regulators	-	3.870%	-	-	-		
30	383		383-7180	Dist. - Regulators	(1,025,084)	1.820%	(16,881)	-	-		
31	383		383-7130	Dist. - Regulators	-	3.870%	-	-	-		
32	385		385-7180	Dist. - Industrial Meter/Reg. Station Equipment	(6,428)	3.820%	(245)	-	-		
33	386		386-7157	Dist. - Other Property on Customer Premises	-	2.880%	-	-	-		
34	387		387-7180	Dist. - Other Equipment	(84,470)	4.420%	(3,784)	-	-		
35				Subtotal	\$ (17,157,850)		\$ (556,857)	\$ -	\$ -		
36											
37											
38		(1)		<b>8. GENERAL PLANT</b>							
39	389		389-7180	Gen. - Land	\$ -	0.000%	\$ -	\$ -	\$ -		
40	390		390-7200	Gen. - Structures & Improvements	(3,089)	2.670%	(79)	-	-		
41	390		390-7235	Gen. - Struct. & Impr. - Leasehold Improvements	-	0.100%	-	(79)	-		
42	391		391-7230	Gen. - Office Furniture/Equipment	-	8.000%	-	-	-		
43	391		391-7232	Gen. - Office Furniture/Equipment	(38,058)	8.000%	(1,808)	-	-		
44	391		391-7250	Gen. - Computer Hardware	(34,800)	14.280%	(4,838)	-	-		
45	392		392-7900	Gen. - Transportation Equipment	-	12.600%	-	-	-		
46	392		392-7920	Gen. - Transportation Equipment	(1,446,828)	12.600%	(181,079)	-	-		
47	392		392-7340	Gen. - Transportation Equipment	-	12.600%	-	-	-		
48	393		393-7385	Gen. - Stores Equipment	-	6.870%	-	-	-		
49	394		394-7382	Gen. - Tools, Shop, & Garage Equipment	(218)	9.380%	(27)	-	-		
50	394		394-7384	Gen. - Tools, Shop, & Garage Equipment	(104)	8.380%	(9)	-	-		
51	394		394-7500	Gen. - Tools, Shop, & Garage Equipment	(283)	8.380%	(24)	-	-		
52	395		395-7370	Gen. - Laboratory Equipment	(54)	6.000%	(3)	-	-		
53	396		396-7890	Gen. - Power Operated Equipment	(78,947)	12.600%	(9,818)	-	-		
54	397		397-7080	Gen. - Communication Equipment - Telecom	(43,227)	6.000%	(2,281)	-	-		
55	397		397-7420	Gen. - Communication Equipment - Meter RCHERTB	(2,880,336)	5.850%	(182,798)	-	-		
56	398		398-7480	Gen. - Miscellaneous Equipment	(1,072)	8.870%	(72)	-	-		
57				Subtotal	\$ (4,829,853)		\$ (302,753)	\$ -	\$ -		
58											
59				TOTAL	\$ (21,886,673)		\$ (918,610)	\$ -	\$ -		
60				Retirement Work In Progress							
61				Adjusted Total	\$ (21,886,673)		\$ (918,610)	\$ -	\$ -	06.0300%	\$ (808,880)
62											

**WEIGHTED AVERAGE COST OF CAPITAL  
CENTERPOINT ENERGY - HOUSTON DIVISION  
PER MOST RECENT RATE CASE - GUD DOCKET NO. 9902**

Per Last Rate Case GUD No. 9902				
Line No.		Percent Equity/Debt (a)	Cost (b)	Weighted Cost (c)
1	Common Equity	55.6000%	10.5000%	5.8380%
2	Preferred Stock	0.0000%	0.0000%	0.0000%
3	Preferred Trust Securities	0.0000%	0.0000%	0.0000%
4	Long-Term Debt	44.4000%	6.3345%	2.8125%
5	Short-Term Debt			
6				
7				
8	Total	100.0000%		8.6505%

Rate of Return 8.65% allowed in GUD No. 9902

ALLOCATION OF INVESTMENT RECOVERY  
CENTERPOINT ENERGY - HOUSTON DIVISION

Allocation Factors Fair Rate Case - GUD No. 9902		
R-2080	0.865216	GUD No. 9902 Base Rate revenue allocator for residential service (See Exh. HD-1)
GSS-2080	0.059225	GUD No. 9902 Base Rate revenue allocator for general service-small service (See Exh. HD-1)
GSLV-611	0.065559	GUD No. 9902 Base Rate revenue allocator for general service-large service (See Exh. HD-1)
Total System:		1.000000

Allocation Factors Requested in WRS filing		
R-2080	0.865216	GUD No. 9902 Base Rate revenue allocator for residential service (See Exh. HD-1)
GSS-2080	0.059225	GUD No. 9902 Base Rate revenue allocator for general service-small service (See Exh. HD-1)
GSLV-611	0.065559	GUD No. 9902 Base Rate revenue allocator for general service-large service (See Exh. HD-1)
Total System:		1.000000

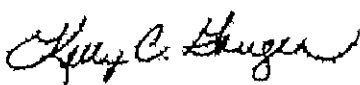
New Investment Recovery Distribution					
Requested Recovery Amount		\$	9,424,168 (IRA-3, Ln. 8, Col. d)	Customer Bills	Customer Charge
R-2080	0.865216	8,059,899		10,857,902	\$ 0.73
GSS-2080	0.059225	558,146		507,807	\$ 1.10
GSLV-611	0.065559	806,322		33,767	\$ 23.88
Total System	1.000000	\$ 9,424,168		11,800,666 (WP IRA-3a Cust Court, Ln. 27, Col. p)	

**SIGNATURE PAGE**  
**CENTERPOINT ENERGY - HOUSTON DIVISION**  
**RAILROAD COMMISSION OF TEXAS - INTERIM COST RECOVERY AND RATE ADJUSTMENT REPORT**

I certify that I am the responsible official of CenterPoint Energy - Houston Division; that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2011 to December 31, 2011 date inclusive.

I understand until the issuance of a final order or decision by a regulatory authority in a rate case that is filed after the implementation of a tariff or rate schedule under this section, all amounts collected under the tariff or rate schedule before the filing of the rate case are subject to refund.

9/23/12  
Date

  
Signature Kelly Gauger

Title Director, Financial Accounting  
Address: P.O. Box 4567  
Houston, TX 77210-4567  
Phone: 713 207-7364  
Email address: KELLY.GAUGER@CENTERPOINTENERGY.COM

Alternative contact regarding this report:

Name:  
Title:  
Address:  
Phone:  
Email address:

CenterPoint Energy - Houston Division  
Customer Count 2011

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
1	Houston Division															
2	Complementary															
3	02 Com - Small	306	537	306	306	306	306	306	306	306	306	306	306	306	306	306
4	03 Com - Large	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
5	04 Com - Large Volume	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
6	05 Ind - Small	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
7		354	385	353	354	353	353	353	353	353	353	353	353	353	353	353
8	Firm Service	811,027	914,077	913,604	912,350	912,012	911,223	911,550	912,411	913,003	913,065	913,065	913,065	913,065	913,065	913,065
9	01 Res	42,475	42,942	42,780	42,772	42,447	42,232	41,821	41,892	41,892	41,892	41,892	41,892	41,892	41,892	41,892
10	02 Com - Small	2,910	2,981	2,899	2,787	2,787	2,744	2,713	2,659	2,659	2,659	2,659	2,659	2,659	2,659	2,659
11	03 Com - Large	71	68	69	69	67	68	68	62	62	62	62	62	62	62	62
12	06 Ind - Small	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
13	07 Transportation	533	533	533	533	533	533	533	533	533	533	533	533	533	533	533
14	Total Houston Division	857,400	960,918	959,195	959,009	959,243	957,242	957,214	958,243	961,135	964,261	967,208	967,208	967,208	967,208	967,208
15																
16	Trans Texas Division															
17	Complementary															
18	03 Com - Large															
19	Firm Service															
20	02 Com - Small															
21	07 Transportation															
22	Total Trans Texas															
23																
24	Total	957,401	960,917	959,195	959,009	959,243	957,242	957,214	958,243	961,135	964,261	967,208	967,208	967,208	967,208	967,208
25																
26	Sum of Houston Division Trans Texas Firm Service															
27																
28																
29																