

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

STATEMENT OF INTENT OF	§	
CENTERPOINT ENERGY	§	
RESOURCES CORP., D/B/A	§	
CENTERPOINT ENERGY ENTEX	§	GAS UTILITIES DOCKET NO. 10182
AND CENTERPOINT ENERGY	§	AND CONSOLIDATED CASES
TEXAS GAS TO INCREASE RATES	§	
ON A DIVISION-WIDE BASIS IN THE	§	
BEAUMONT/EAST TEXAS DIVISION	§	

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. 2011). 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. On July 2, 2012, CenterPoint filed a Statement of Intent to change gas utility rates in the unincorporated areas served by the Beaumont/East Texas Division. The filing was docketed as GUD No. 10182.
3. On July 17, 2012, the Commission suspended the implementation of CenterPoint's proposed rates for up to 150 days.
4. CenterPoint also filed a proposed rate increase with several municipalities.
5. The following municipalities surrendered their jurisdiction to the Commission: Ames, Colmesneil, Crockett, Diboll, Elkhart, Grapeland, Groveton, Hudson, Jasper, Latexo, Lovelady, Lumberton, Nacogdoches, Pinehurst, San Augustine, Shephard, Tenaha, Timpson, Trinity, Vidor, and West Orange.
6. The cities of Jefferson, Lindale and Overton denied the Statement of Intent filed by CenterPoint. The company filed its *Petition for Review of Municipal Rate Decisions and Motion to Consolidate* on August 16, 2012. That case was docketed as GUD No. 10203. The motion to consolidate was granted on October 26, 2012.

7. The cities of Anahuac, Atlanta, Beaumont, Bridge City, Center, Clarksville City, Cleveland, Dangerfield, Dayton, Gladewater, Huntsville, Jacksonville, Kilgore, Liberty, Longview, Lufkin, Mineola, Mount Pleasant, Mount Vernon, Nederland, Orange, Pine Forest, Rose City, Rusk, Silsbee, Sour Lake and White Oak denied CenterPoint's requested rate increase and CenterPoint filed an appeal. The case was docketed as GUD No. 10219 and a motion to consolidate granted on November 21, 2012.
8. The cities of DeKalb, Hooks, Marshall, Maud, New Boston, Red Lick, and Tyler denied CenterPoint's requested rate increase and CenterPoint filed an appeal. The case was docketed as GUD No. 10222 and a motion to consolidate was granted on November 21, 2012.
9. The following municipalities intervened in these consolidated proceedings as the Alliance of CenterPoint Municipalities (ACM): Atlanta, Center, Clarksville City, Crockett, Daingerfield, Gladewater, Jacksonville, Kilgore, Longview, Lufkin, Marshall, Mineola, Mt. Pleasant, Nacogdoches, Rusk and White Oak.
10. The following municipalities intervened in these consolidated proceedings as the East Texas Cities (ETC): DeKalb, Hooks, Lindale, Maud, New Boston, Red Lick, and Tyler.
11. The following municipalities intervened in these consolidated proceedings as the Steering Committee of Cities (SCC): Anahuac, Beaumont, Bridge City, Cleveland, Dayton, Huntsville, Liberty, Nederland, Orange, Pine Forest, Pinehurst, Rose City, Silsbee, and Sour Lake.
12. Staff of the Railroad Commission (Staff) intervened in these consolidated proceedings.
13. On November 15, 2012, the parties filed a Unanimous Settlement Agreement.
14. The Unanimous Settlement Agreement resolved all issues and no issues were preserved for further litigation.
15. The following documents were admitted into the record of the case.
 - Affidavits of Publishers Completion of Notice, *GUD No. 10182, Exhibit 1*.
 - Unanimous Settlement Agreement, *GUD No. 10182 Exhibit No. 2*;
 - Prefiled direct testimony of Steven C. Greenley, pp. 2 – 4 & 11 – 18., *GUD No. 10182, Exhibit No. 3*;
 - Prefiled direct testimony of Kelly C. Gauger, pp. 6 – 9, *GUD No. 10182, Exhibit 4; and*
 - Prefiled direct testimony of Kevin T. Reckelhoff, *GUD No. 10182 Exhibit 5*.
16. During the test year, services were provided to the Beaumont/East Texas Division by certain affiliates: Services Company, CenterPoint Energy Houston Electric, LLC (CEHE), and other divisions of Centerpoint's Gas Operations.

17. The record in this case established that that the services provided by its affiliates on behalf of the Beaumont/East Texas Division are reasonable and necessary.
18. The record in this case established that the affiliate expenses included in the company's filing are reasonable and necessary costs of providing gas utility service, and the prices charged to the Beaumont/East Texas Division are no higher than the prices charged by the supplying affiliate to CenterPoint's other affiliates or divisions, or to a non-affiliated person for the same item or class of items.
19. Notice of the filing in this proceeding was provided to all customers within all unincorporated and incorporated areas served by CenterPoint's Beaumont/East Texas Division by publishing a notice each week for four successive weeks, beginning the week of approximately July 13, 2012 and running through the week of approximately August 8, 2012, in a newspaper having a general circulation in each city affected by the proposed increase.
20. The publication of notice meets the statutory and rule requirements of notice and provides sufficient information to ratepayers about the *Statement of Intent*.
21. CenterPoint established that the utility maintains its books and records in accordance with the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts prescribed for Natural Gas Companies
22. CenterPoint established that the utility has fully complied with the books and records requirements of Rule 7.310 and the amounts included therein are therefore subject to the presumption encapsulated in Rule 7.503 that these amounts are reasonable and necessary.
23. The company initially requested a net revenue requirement increase of \$8,621,026 for the standard rate classes.
24. The Unanimous Settlement Agreement contemplates an increase of \$6,200,000. This represented a decrease from the initial request of \$2,421,026.
25. The parties have established that the proposed increase of \$6,200,000 is just and reasonable.

26. The rates reflected in the attached Unanimous Settlement Agreement, and the customer charges set forth therein, are just and reasonable.

At 14.65 psi	Customer Charge	Single Block Volumetric Rate
Residential	\$16.00	\$0.1238 per Ccf
Small Commercial	\$23.75	\$0.06440 per Ccf
Large Volume	\$63.75	\$0.0300 per Ccf

At 14.73 psi	Customer Charge	Single Block Volumetric Rate
Residential	\$16.00	\$0.1245 per Ccf
Small Commercial	\$23.75	\$0.06475 per Ccf

At 14.95 psi	Customer Charge	Single Block Volumetric Rate
Residential	\$16.00	\$0.1263 per Ccf
Small Commercial	\$23.75	\$0.06572 per Ccf

27. The following capital structure and weighted cost of capital, including the pre-tax return, included in the Unanimous Settlement Agreement is reflective of the CenterPoint's actual capital structure and is just and reasonable.

	Capital Structure	Debt/Equity Cost	Weighted Cost of Capital	Pre-Tax Return
Long-Term Debt	42%	6.46%	2.71%	2.71%
Common Equity	58%	10%	5.8%	8.92%
Rate of Return	100%		8.51%	11.64%

28. Any Interim Rate Adjustment ("IRA") filing in the Beaumont/East Texas Division pursuant to Texas Utilities Code § 104.301 shall use the following factors until changed by a subsequent rate proceeding.

- The capital structure and related components as shown above in Finding of Fact No. 27.
- For the initial IRA filing, the Net Investment which includes detail of Plant in Service amounts (by FCA) along with the associated depreciation rate for each account as shown on Exhibit D, attached to the Unanimous Settlement Agreement.
- For the initial IRA filing, the beginning amount of *ad valorem* taxes at a division level is \$1,150,186 and the standard sales service amount is \$1,114,517.
- For the initial IRA filing, the rate base amount for standard sales service is \$93,036,865 for calculating the federal income tax on related schedules in the IRA filing. This amount is derived as a settlement rate base and should not be considered

to be inclusive of the requested regulatory assets associated with pensions, retirement plans, and deferred benefits from this case.

- For the initial IRA filing, the customer charges as noted in Finding of Fact No. 26 above will be the starting rates to apply to any IRA adjustment. The average use per month per customer class in order to determine the current and proposed bill information in future IRA filings is as follows: residential at 36 Ccf, small commercial at 140 Ccf, and large volume customer at 2,804 Ccf.
- The base rate revenue allocation factors to spread any change in IRA increase/decrease to the appropriate customer classes is as follows:

Commercial and Industrial Sales		
Residential	Small	Large
82.6811%	15.5386%	1.7803%

29. The base year level of pension-related and other post-employment benefits expenses shall be as follow:

Description	Total
Pension	\$1,366,354
Benefit Restoration Plan	\$ 309,049
Post Employment	\$ 246,637
Post Retirement	\$ 796,280

30. CenterPoint has established that its rate case expenses totaling \$648,930.61 are just and reasonable.
31. ACM has established that its rate case expenses totaling \$232,673.48 are just and reasonable.
32. SCC has established that its rate case expenses totaling \$146,411.10 are just and reasonable.
33. ETC has established that its rate case expenses totaling \$95,811.95 are just and reasonable.
34. It is reasonable that the recovery of the rate-case expenses shall be over a thirty-six month period.
35. It is reasonable that the rate case expense surcharge be separately stated on the bill.
36. The tariffs attached to this Final Order are just and reasonable.

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. 2011) and §121.001 (Vernon 2007) and is therefore subject to the jurisdiction of the Railroad Commission (Commission) of Texas.
2. The Commission has jurisdiction over CenterPoint and CenterPoint's Statement of Intent under TEX. UTIL. CODE ANN. §§ 102.001, 103.022, 103.054, & 103.055, 104.001, 104.001 and 104.201 (Vernon 2007).
3. Under TEX. UTIL. CODE ANN. §102.001 (Vernon 2007 and Supp. 2011), the Commission has exclusive original jurisdiction over the rates and services of a gas utility that distributes natural gas in areas outside of a municipality and over the rates and services of a gas utility that transmits, transports, delivers, or sells natural gas to a gas utility that distributes the gas to the public.
4. This proceeding was conducted in accordance with the requirements of the Gas Utility Regulatory Act (GURA), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. §§ 2001.001 *et seq.* (Vernon 2008 and Supp. 2011) (APA).
5. TEX. UTIL. CODE ANN. §104.107 (Vernon 2007 and Supp. 2011) provides the Commission's authority to suspend the operation of the schedule of proposed rates for 150 days from the date the schedule would otherwise go into effect.
6. The proposed rates constitute a major change as defined by TEX. UTIL. CODE ANN. §104.101 (Vernon 2007 and Supp. 2011).
7. In accordance with TEX. UTIL. CODE ANN. §104.103 (Vernon 2007 and Supp. 2011), 16 TEX. ADMIN. CODE ANN. §§ 7.230 and 7.235, adequate notice was properly provided.
8. In accordance with TEX. UTIL. CODE ANN. §104.102 (Vernon 2007 and Supp. 2011), 16 TEX. ADMIN. CODE ANN. §§ 7.205 and 7.210, CenterPoint filed its Statement of Intent to change gas distribution rates.
9. CenterPoint failed to meet its burden of proof in accordance with the provisions of TEX. UTIL. CODE ANN. §104.008 (Vernon 2007 and Supp. 2011) on the elements of its requested rate increase identified in this order.
10. The revenue, rates, rate design, and service charges proposed by CenterPoint are not found to be just and reasonable, not unreasonably preferential, prejudicial, or discriminatory, and are not sufficient, equitable, and consistent in application to each class of consumer, as required by TEX. UTIL. CODE ANN. §104.003 (Vernon 2007 and Supp. 2011).
11. The revenue, rates, rate design, and service charges proposed by CenterPoint, as amended by the Commission and identified in the schedules attached to this order, are just and reasonable, are not unreasonably preferential, prejudicial, or discriminatory, and are

sufficient, equitable, and consistent in application to each class of consumer, as required by TEX. UTIL. CODE ANN. (Vernon 2007 and Supp. 2011).

12. The Commission has assured that the rates, operations, and services established in this docket are just and reasonable to customers and to the utilities in accordance with the stated purpose of the Texas Utilities Code, Subtitle A, expressed under TEX. UTIL. CODE ANN. §101.002 (Vernon 2007).
13. The overall revenues as established by the findings of fact and attached schedules are reasonable; fix an overall level of revenues for CenterPoint that will permit the company a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public over and above its reasonable and necessary operating expenses, as required by TEX. UTIL. CODE ANN. § 104.051 (Vernon 2007 and Supp. 2011); and otherwise comply with Chapter 104 of the Texas Utilities Code Annotated.
14. The revenue, rates, rate design, and service charges proposed will not yield to CenterPoint more than a fair return on the adjusted value of the invested capital used and useful in rendering service to the public, as required by TEX. UTIL. CODE ANN. § 104.052 (Vernon 2007 and Supp. 2011).
15. The rates established in this docket comport with the requirements of TEX. UTIL. CODE ANN. §104.053 (Vernon 2007 and Supp. 2011) and are based upon the adjusted value of invested capital used and useful, where the adjusted value is a reasonable balance between the original cost, less depreciation, and current cost, less adjustment for present age and condition.
16. The rates established in this case comply with the affiliate transaction standard set out in TEX. UTIL. CODE ANN. § 104.055 (Vernon 2007 and Supp. 2011). Namely, in establishing a gas utility's rates, the regulatory authority may not allow a gas utility's payment to an affiliate for the cost of a service, property, right or other item or for an interest expense to be included as capital cost or an expense related to gas utility service except to the extent that the regulatory authority finds the payment is reasonable and necessary for each item or class of items as determined by the regulatory authority. That finding must include (1) a specific finding of reasonableness and necessity to each class of items allowed; and (2) a finding that the price to the gas utility is not higher than the prices charged by the supplying affiliate to its other affiliates or divisions or to a nonaffiliated person for the same item or class of items.
17. Section 104.003(a) provides that a rate may not be unreasonably preferential, prejudicial, or discriminatory but must be sufficient, equitable, and consistent in application to each class of consumer. In establishing a gas utility's rates, the Commission "may treat as a single class two or more municipalities that a gas utility serves if the [C]ommission considers that treatment to be appropriate."

18. In this proceeding, CenterPoint has the burden of proof under TEX. UTIL. CODE ANN. §104.008 (Vernon 2007 and Supp. 2011) to show that the proposed rate changes are just and reasonable.
19. It is reasonable for the Commission to allow CenterPoint to include a Purchased Gas Adjustment Clause in its rates to provide for the recovery of all of its gas costs, in accordance with 16 TEX. ADMIN. CODE § 7.5519.
20. CenterPoint is required by 16 TEX. ADMIN. CODE §7.315 to file electronic tariffs incorporating rates consistent with this Order within thirty days of the date of this Order.
21. CenterPoint has established that the company's books and records conform with 16 TEX. ADMIN. CODE § 7.310 to utilize the Federal Energy Regulatory Commission's (FERC) Uniform System of Accounts (USOA) prescribed for natural gas companies and CenterPoint is thus entitled to the presumption that the amounts included therein are reasonable and necessary in accordance with Commission Rule 7.503.

IT IS THEREFORE ORDERED that CenterPoint's proposed schedule of rates is hereby **DENIED**.

IT IS FURTHER ORDERED that the rates, rate design, and service charges established in the findings of fact and conclusions of law and shown on the attached tariffs for CenterPoint are **APPROVED**.

IT IS FURTHER ORDERED that the benchmarks established for future interim rate adjustments in this Final Order and attached Unanimous Settlement Agreement are **APPROVED**.

IT IS FURTHER ORDERED that the benchmarks established for the base year level of pension-related and other post-employment benefits expenses are hereby **APPROVED**.

IT IS FURTHER ORDERED that the Unanimous Settlement Agreement of the parties, subject to the correction reflected in Findings of Fact Nos. 30 to 36 related to rate case expenses, attached to this Final Order is hereby approved.

IT IS FURTHER ORDERED that, in accordance with 16 TEX. ADMIN. CODE §7.315, within 30 days of the date this Order is signed, CenterPoint shall electronically file tariffs and rate schedules with the Gas Services Division. The tariffs shall incorporate rates, rate design, and service charges consistent with this Order, as stated in the findings of fact and conclusions of law and shown on the attached Schedules.

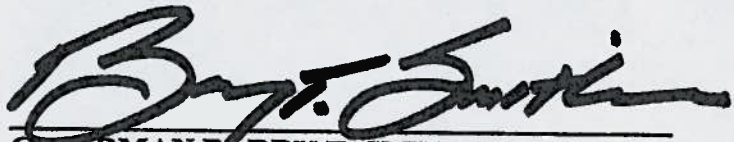
IT IS FURTHER ORDERED that all proposed findings of fact and conclusions of law not specifically adopted in this Order are hereby **DENIED**.

IT IS ALSO ORDERED that all pending motions and requests for relief not previously granted or granted herein are hereby **DENIED**.

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 ANN. §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.

SIGNED this 4th day of December, 2012.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN BARRY T. SMITHERMAN

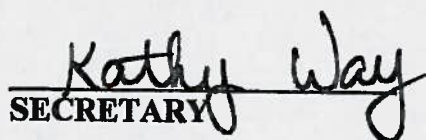


COMMISSIONER DAVID PORTER



COMMISSIONER BUDDY GARCIA

ATTEST:



SECRETARY

GUD No. 10182

Final Order

Unanimous Settlement Agreement

GUD NO. 10182, consolidated

**STATEMENT OF INTENT OF
CENTERPOINT ENERGY RESOURCES
CORP., D/B/A CENTERPOINT ENERGY
ENTEX AND CENTERPOINT ENERGY
TEXAS GAS TO INCREASE RATES ON
A DIVISION-WIDE BASIS IN THE
BEAUMONT/EAST TEXAS DIVISION**

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**BEFORE THE
RAILROAD COMMISSION
OF TEXAS**

UNANIMOUS SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and between CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company"); the East Texas Cities ("ETC") whose members include the Cities of DeKalb, Hooks, Lindale, Maud, New Boston, Red Lick, and Tyler, Texas (collectively, "ETC Cities"); the Alliance of CenterPoint Municipalities ("ACM") whose members include the Cities of Atlanta, Center, Clarksville City, Crockett, Daingerfield, Gladewater, Jacksonville, Kilgore, Longview, Lufkin, Marshall, Mineola, Mt. Pleasant, Nacogdoches, Rusk, and White Oak, Texas (collectively "ACM Cities"); and the Steering Committee of Cities ("SCC") whose members include the Cities of Anahuac, Beaumont, Bridge City, Cleveland, Dayton, Huntsville, Liberty, Nederland, Orange, Pine Forest, Pinehurst, Rose City, Silsbee, and Sour Lake, Texas (collectively "SCC Cities"); and the Staff of the Railroad Commission of Texas ("Staff"), (collectively, the "Signatories").

WHEREAS, on July 2, 2012, CenterPoint filed its Statement of Intent to Increase Rates with the Railroad Commission of Texas ("Commission") and each of the cities in the Beaumont/East Texas Division retaining original jurisdiction; and

WHEREAS, the Commission docketed the rate request as GUD No. 10182; and

WHEREAS, the SCC Cities, ACM Cities, ETC Cities, and Commission Staff sought intervention and were granted party status in GUD No. 10182; and

WHEREAS, the ACM Cities denied the Company's rate request, which denials were subsequently appealed to the Commission; and

WHEREAS, the SCC Cities denied the Company's rate request, which denials were subsequently appealed to the Commission; and

WHEREAS, the ETC Cities have begun denying the Company's rate request, which denials will be appealed to the Commission; and

WHEREAS, the Company has either sought or will seek to consolidate all municipal appeals with GUD No. 10182; and

WHEREAS, on or about October 23, 2012, following the parties' analysis of the Company's cost of capital, the Signatories, entered into a Partial Settlement Agreement establishing an agreed cost of capital, which is incorporated into this agreement; and

WHEREAS, ACM, SCC, ETC, and Staff did not file cost of capital testimony in reliance on the Partial Settlement Agreement; and

WHEREAS, CenterPoint has filed direct testimony and ACM, SCC, ETC and Staff have filed intervenor testimony; and

WHEREAS, CenterPoint did not file rebuttal testimony in reliance on this Unanimous Settlement Agreement; and

WHEREAS, the parties have engaged in significant discovery regarding the issues in dispute; and

WHEREAS, the Signatories agree that resolution of this docket by settlement agreement will significantly reduce the amount of reimbursable rate case expenses associated with this docket;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to and recommend for approval by the Commission the following Settlement Terms as a means of concluding the above-referenced docket filed by CenterPoint on behalf of its Beaumont/East Texas Division without the need for prolonged litigation:

Settlement Terms

1. The Signatories agree to the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A. The tariffs attached as Exhibit A replace and supersede those tariffs currently in effect in the Beaumont/East Texas Division. These tariffs should allow CenterPoint's Beaumont/East Texas Division to recover an additional \$6.2 million in annual revenues as illustrated in the proof of revenues attached as part of Exhibit B to this Settlement Agreement. Except as specifically provided herein, the Signatories agree that the \$6.2 million revenue increase is a "black box" figure and is not tied to any specific expense in CenterPoint's Beaumont/East Texas Division's underlying cost of service. The Signatories further agree that the rates, terms and conditions reflected in Exhibit A to this Settlement Agreement comply with the rate-setting requirements of Chapter 104 of the Texas Utilities Code. The gas rates, terms and conditions established by this Settlement Agreement shall be effective upon approval by the Commission.
2. The Signatories agree to the following customer charges and single block volumetric rates. These rates are reflected in the rate schedules attached as Exhibit A.

At 14.65 psi	Customer Charge	Single Block Volumetric Rate
Residential	\$16.00	\$0.1238 per Ccf
Small Commercial	\$23.75	\$0.06440 per Ccf
Large Volume	\$63.75	\$0.0300 per Ccf

At 14.73 psi	Customer Charge	Single Block Volumetric Rate
Residential	\$16.00	\$0.1245 per Ccf
Small Commercial	\$23.75	\$0.06475 per Ccf

At 14.95 psi	Customer Charge	Single Block Volumetric Rate
Residential	\$16.00	\$0.1263 per Ccf
Small Commercial	\$23.75	\$0.06572 per Ccf

3. The Signatories agree to the following capital structure and weighted cost of capital, including the pre-tax return, which is reflective of the Company's actual capital structure. This cost of capital reflects that agreed by the Signatories in the Partial Settlement Agreement reached in this docket attached as Exhibit C, which agreement is incorporated and superseded by this Unanimous Settlement Agreement.

	Capital Structure	Debt/Equity Cost	Weighted Cost of Capital	Pre-Tax Return
Long-Term Debt	42%	6.46%	2.71%	2.71%
Common Equity	58%	10%	5.8%	8.92%
Rate of Return	100%		8.51%	11.64%

4. The Signatories agree that any Interim Rate Adjustment ("IRA") filing in the Beaumont/East Texas Division pursuant to Texas Utilities Code § 104.301 shall use the following factors until changed by a subsequent rate proceeding:

- The capital structure and related components as shown above in item 3.
- For the initial IRA filing, the Net Investment which includes detail of Plant in Service amounts (by FCA) along with the associated depreciation rate for each account as shown on Exhibit D.
- For the initial IRA filing, the beginning amount of ad valorem taxes at a division level is \$1,150,186 and the standard sales service amount is \$1,114,517.
- For the initial IRA filing, the rate base amount for standard sales service is \$93,036,865 for calculating the federal income tax on related schedules in the IRA filing. This amount is derived as a settlement rate base and

should not be considered to be inclusive of the requested regulatory assets associated with pensions, retirement plans, and deferred benefits from this case.

- For the initial IRA filing, the customer charges as noted in item 2 above will be the starting rates to apply to any IRA adjustment. The average use per month per customer class in order to determine the current and proposed bill information in future IRA filings is as follows: residential at 36 Ccf, small commercial at 140 Ccf, and large volume customer at 2,804 Ccf.
- The base rate revenue allocation factors to spread any change in IRA increase/decrease to the appropriate customer classes is as follows:

Residential	Commercial and Industrial Sales	
	Small	Large
82.6811%	15.5386%	1.7803%

CenterPoint agrees that it will not file an IRA for its Beaumont/East Texas Division in calendar year 2013, and its first IRA filing will occur in calendar year 2014.

5. Although the Settlement in this proceeding does not include consideration given to any regulatory asset derived from or computed based on benefits provided by CenterPoint to employees, the parties agree that CenterPoint may pursue a deferred benefit regulatory asset/liability pursuant to Texas Utilities Code § 104.059 in a future filing. The Signatories identify the following amounts as the base year level to track changes in pension-related and other post-employment benefits:

Description	Total
Pension	\$1,366,354
Benefit Restoration Plan	\$ 309,049
Post Employment	\$ 246,637
Post Retirement	\$ 796,280

6. CenterPoint, ACM, SCC, and ETC represent that their reasonable rate case expenses incurred through September 2012, and estimated rate case expenses incurred through completion of this case, are as follows:

	Actual incurred through 9/2012	Estimated through completion	TOTAL
CenterPoint	\$497,930.61	\$173,711.00	\$671,641.61
ACM ¹	\$231,673.48	\$1,000.00	\$232,673.48
SCC	\$62,400.00	\$84,011.10	\$146,411.10
ETC	\$52,811.95	\$43,000.00	\$95,811.95

CenterPoint, ACM, SCC, and ETC attach as Exhibit E affidavits and invoices in support of these amounts, and will supplement with additional invoices as they are processed.

¹ ACM's actual rate case expenses reflect expenses incurred to date rather than through September 2012.

CenterPoint, ACM, SCC, and ETC agree that the amounts represented above are reasonable and recoverable pursuant to Texas Utilities Code § 103.022. CenterPoint, ACM, SCC, and ETC agree that the recovery period for the applicable surcharge to recover rate-case expenses shall be thirty-six months. CenterPoint agrees to reimburse ACM, SCC, and ETC the amount of rate case expenses deemed reasonable by the Commission within 30 days of the issuance of an order authorizing recovery of those expenses. The parties intend and advocate that the Commission authorize recovery of the rate case expenses recited above in the same proceeding and at the same time as it approves this Unanimous Settlement Agreement.

7. The Signatories agree to support and seek Commission approval of this Unanimous Settlement Agreement. The Signatories further agree to make all efforts to present the Commission with this Unanimous Settlement Agreement at Conference scheduled for December 11, 2012.
8. The Signatories agree that all negotiations, discussions, and conferences related to the Unanimous Settlement Agreement are privileged, inadmissible, and not relevant to prove any issues associated with the Statement of Intent to Increase Rates in the Beaumont/East Texas Division filed on July 2, 2012.
9. The Signatories agree that neither this Unanimous Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the Commission of an order approving this Settlement Agreement.
10. The Signatories agree that the terms of the Unanimous Settlement Agreement are interdependent and indivisible, and that if the Commission enters an order that is inconsistent with this Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Settlement Agreement or its subsequent withdrawal.
11. The Signatories agree that this Unanimous Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and except to the extent the Settlement Agreement governs a Signatory's rights and obligations for future periods, this Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.
12. The Signatories agree that this Unanimous Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this 14th day of November, 2012.

CENTERPOINT ENERGY RESOURCES CORP.

By: 

Dane McKaughan
Attorney for CenterPoint Energy Resources Corp.

STEERING COMMITTEE OF CITIES

By: _____

Daniel Lawton
Attorney for Steering Committee of Cities

ALLIANCE OF CENTERPOINT MUNICIPALITIES

By: _____

Alfred Herrera
Attorney for Alliance of CenterPoint Municipalities

EAST TEXAS CITIES

By: _____

Georgia Crump
Attorney for East Texas Cities

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____

John Griffin
Attorney for Staff of the Railroad Commission of Texas

Agreed to this 14th day of November, 2012.

CENTERPOINT ENERGY RESOURCES CORP.

By: 

Dane McKaughan
Attorney for CenterPoint Energy Resources Corp.

STEERING COMMITTEE OF CITIES

By: 

Daniel Lawton
Attorney for Steering Committee of Cities

ALLIANCE OF CENTERPOINT MUNICIPALITIES

By: _____

Alfred Herrera
Attorney for Alliance of CenterPoint Municipalities

EAST TEXAS CITIES

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Georgia Crump
Attorney for East Texas Cities

STAFF OF THE RAILROAD COMMISSION OF TEXAS

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John Griffin
Attorney for Staff of the Railroad Commission of Texas

Agreed to this 14th day of November, 2012.

CENTERPOINT ENERGY RESOURCES CORP.

By: _____

Dane McKaughan

Attorney for CenterPoint Energy Resources Corp.

STEERING COMMITTEE OF CITIES

By: _____

Daniel Lawton

Attorney for Steering Committee of Cities

ALLIANCE OF CENTERPOINT MUNICIPALITIES

By: _____

Alfred Herrera

Attorney for Alliance of CenterPoint Municipalities

EAST TEXAS CITIES

By: _____

Georgia Crump

Attorney for East Texas Cities

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____

John Griffin

Attorney for Staff of the Railroad Commission of Texas

Agreed to this 14th day of November, 2012.

CENTERPOINT ENERGY RESOURCES CORP.

By: _____

Dane McKaughan
Attorney for CenterPoint Energy Resources Corp.

STEERING COMMITTEE OF CITIES

By: _____

Daniel Lawton
Attorney for Steering Committee of Cities

ALLIANCE OF CENTERPOINT MUNICIPALITIES

By: _____

Alfred Herrera
Attorney for Alliance of CenterPoint Municipalities

EAST TEXAS CITIES

By: _____

Georgia Crump
Attorney for East Texas Cities

STAFF OF THE RAILROAD COMMISSION OF TEXAS

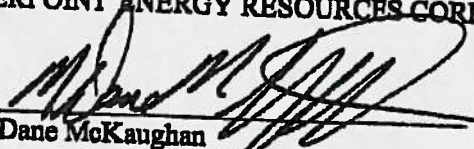
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**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
RESIDENTIAL SERVICE
RATE SCHEDULE NO. R-2091**

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 -- \$16.00;

(2) Commodity Charge --

For customers billed at a 14.65 Pressure Base:

All Ccf @ 14.65 \$0.1238

For customers billed at a 14.73 Pressure Base:

All Ccf @ 14.73 \$0.1245

For customers billed at a 14.95 Pressure Base:

All Ccf @ 14.95 \$0.1263

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

(d) Rate Case Expense Recovery -- Rate Case Expense Recovery will be calculated and adjusted periodically as defined in the Company's applicable Rate Case Expense Recovery Rate Schedule.

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.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-SMALL
RATE SCHEDULE NO. GSS-2091**

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 – \$23.75;

(2) Commodity Charge –

For customers billed at a 14.65 Pressure Base:
All Ccf @ 14.65 \$0.06440

For customers billed at a 14.73 Pressure Base:
All Ccf @ 14.73 \$0.06475

For customers billed at a 14.95 Pressure Base:
All Ccf @ 14.95 \$0.06572

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

(d) Rate Case Expense Recovery – Rate Case Expense Recovery will be calculated and adjusted periodically as defined in the Company's applicable Rate Case Expense Recovery Rate Schedule.

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.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-622**

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 - \$63.75;

(2) Commodity Charge -

All Ccf @ \$0.03000

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

(d) Rate Case Expense Recovery - Rate Case Expense Recovery will be calculated and adjusted periodically as defined in the Company's applicable Rate Case Expense Recovery Rate Schedule.

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.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-622**

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 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit.

The term "Mcf" shall mean 1,000 cubic feet of gas.

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
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-622**

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, Fpv, 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, Fpv, 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 Mof, 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.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
SCHEDULE OF MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE NO. MISC-12**

GAS SERVICE

1.	Institution of service to residential or general service	\$40
	After-hours surcharge for each after-hours service call	\$47
2.	Restore service after termination for non-payment, cut-off by customer or agent or for convenience of customer	\$40
	After-hours surcharge for each after-hours service call	\$47
3.	Turning off service to active meter – account not finalled (per trip)	\$20
	After-hours surcharge for each after-hours service call	\$47
4.	Special meter test at customer's request (see General Rules and Regulations for special situations) – same customer at same location is allowed one test free of charge every four years)	\$15
5.	Change customer meter	\$55
6.	Change residential meter location: Minimum charge	\$350
	Additional meters in manifold each	
	(Plus cost of materials)	\$55
7.	Tap Charge	N.C.*
8.	Installation of remote read device where company cannot get access to read meter	\$180
9.	Disconnect service at main	\$300
	(Plus any costs arising out of any city ordinance or regulation governing work in city streets)	
10.	Restore service at main after termination for non-payment	\$300
	(Plus cost of materials)	
11.	Temporary transfer of individually metered multi-family service from vacating tenant to apartment complex owner. (Applicable to read and transfer transactions only. Precedent written agreement required.)	N.C.

*Except where Company is required to pay tap charge to pipeline supplier to serve the consumer, the consumer shall reimburse Company.

OTHER CHARGES

12.	Collection call - trip charge (not collected under miscellaneous service item no. 3 - Turning off service to active meter)	\$20
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BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
SCHEDULE OF MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE NO. MISC-12**

13. Returned check

\$20

DEPOSITS

Up to the maximum amount allowed under the Railroad Commission of Texas Quality of Service Rule §7.45(5)(C)(ii) (the "one-sixth rule"). If there is no billing history on the customer's account, then the one-sixth rule will be applied to the customer's account based on similarly-situated customers located in the geographic area.

TAX ADJUSTMENT

The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's Tax Adjustment Rate Schedule.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
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BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-11**

1. PURCHASED GAS ADJUSTMENT (PGA) APPLICABILITY

The Monthly Rate contained in the Company's total billing to residential and general service customers shall include the cost of natural gas purchased for resale hereunder.

2. RATE CALCULATION

The Purchased Gas Adjustment (PGA) Rate shall be calculated according to the following formula and included in the Monthly Rate:

$$\text{PGA Rate (per Mcf sold)} = [(G * R) \pm DA] \text{ rounded to the nearest } \$0.0001$$

$$\text{PGA Rate (per Ccf sold)} = \text{PGA Rate (per Mcf sold)} \div 10$$

Definitions:

G = The Company's best estimate of the cost of natural gas (per Mcf) to be purchased for resale hereunder during the period that the PGA Rate is to be effective. The cost of natural gas shall include the cost of gas supplies purchased for resale hereunder, upstream transportation charges, storage charges, the cost of gas withdrawn from storage less the cost of gas injected into storage, and any transaction-related fees, gains or losses and other transaction costs associated with the use of various financial instruments used by the Company to stabilize prices.

R = Ratio derived by dividing the actual Mcf purchased for the customers billed hereunder for the twelve months ended the preceding August by the actual Mcf sold to the customers billed hereunder during the same period.

DA = Surcharge or surcredit, calculated on a per Mcf basis, relating to Deferred Purchased Gas Cost Accounts, as defined below.

3. PGA FILINGS

PGA filings shall be filed with the Railroad Commission of Texas (the "Regulatory Authority") by the last business day of the month immediately preceding the month the proposed new PGA factor will be implemented. The PGA filing shall include a calculation of the estimated PGA Rate together with supporting documents. Each such tentative PGA Rate shall become effective for bills rendered on and after the first day of the calendar month and shall continue to be in effect until the next filing, unless after the PGA filing, the Regulatory Authority takes action to disapprove or modify such PGA rate. In the event that the Regulatory Authority takes such action, then the PGA rate shall be in effect on an interim basis pending the final decision of the Regulatory Authority, and any person designated by the Regulatory Authority shall have the right and power to order the filing of any reasonable additional information. Any adjustment to the PGA Rate relating to a prior period shall be made prospectively.

4. DEFERRED PURCHASED GAS COST ACCOUNTS

The Company shall establish and maintain Deferred Gas Cost Account(s) in which shall be recorded: (a) the balance of over or under recoveries of the cost of gas purchased for resale hereunder, determined for the period ending on the last day prior to the effective day of this revised Purchased Gas Adjustment rate schedule, including subsequent corrections and amendments thereto; and (b) any over or under recovery of

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RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-11**

the cost of gas purchased for resale hereunder resulting from the operation of the PGA procedure commencing with the first day of this revised purchased gas cost adjustment. Such ongoing over or under recovery shall include: (a) gas cost revenue recovery amounts for the revenue month; (b) the cost of gas purchased for resale hereunder for the same month as the revenue month; (c) carrying charge or credit amounts calculated based on the arithmetic average of the beginning and ending month balance of under or over recovery for the revenue-cost month times six percent (6%); and (d) carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the pre-tax rate of return as determined in Docket No. GUD10182.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
RATE CASE EXPENSE RECOVERY RATE SCHEDULE NO. RCE-8**

Customers shall reimburse the Company for Customers' proportionate share of the reasonable rate case expenses of a municipal regulatory authority and Company as established by a final order of a regulatory authority in a rate setting proceeding. If no method of collection is specified in the final order setting the amount of reasonable rate case expense, then Company shall collect that amount over a twelve month period through a fixed monthly charge.

CenterPoint Energy
Rate Filing Package - Beaumont/East Texas Division
Rate Design - Settlement

Line No.	Particulars	Total	Residential	Commercial	
				Small	Large
1	Cost of Service to be Recovered from GSS and GSLV			\$ 8,006,144	\$ 917,292
1a	Current Revenue Recovery	\$ 45,324,386	\$ 36,790,165	\$ 7,135,280	\$ 1,398,941
1b	Settlement Increase	\$ 6,200,000			
1c	Settlement Revenue Requirement	\$ 51,524,386	\$ 42,600,950	\$ 8,006,144	\$ 917,292
1d	Revenue Requirement Allocation Factors		82.6811%	15.5386%	1.7803%
2	Net Customer Charge Cost of Service				
3	Number Bills	2,328,194	2,077,638	244,352	6,204
4					
5	Customer Charge		16.00	23.75	63.75
6	Customer Charge Revenue	\$ 39,441,073	\$ 33,242,208	\$ 5,803,360	\$ 395,505
7	Net Distribution Charge Revenue Required	\$ 12,083,313	\$ 9,358,742	\$ 2,202,784	\$ 521,787
8	Ccf Billing Determinants				
9	Total Billing Determinants @14.65 psia		75,603,636	34,192,197	17,398,840
10	Distribution Rates				
11	All Ccf - Residential		\$ 0.1238		
12	All Ccf - General Service - Small			\$ 0.0844	
13	All Ccf - General Service - Large				\$ 0.0300
14					
15	Distribution Charge Revenue	12,083,672	9,359,730	2,201,977	521,965
16	Total Revenue - Design	51,524,745	42,601,938	8,005,337	917,470
17	Total Revenue Over(Under)	\$ 359	\$ 988	\$ (807)	\$ 178

GAS UTILITIES DOCKET NO. 10182

STATEMENT OF INTENT OF	§	
CENTERPOINT ENERGY RESOURCES	§	BEFORE THE
CORP., D/B/A CENTERPOINT ENERGY	§	
ENTEX AND CENTERPOINT ENERGY	§	RAILROAD COMMISSION
TEXAS GAS TO INCREASE RATES ON	§	
A DIVISION-WIDE BASIS IN THE	§	OF TEXAS
BEAUMONT/EAST TEXAS DIVISION	§	

PARTIAL SETTLEMENT AGREEMENT

This Partial Settlement Agreement is entered into by and between CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company"); the Staff of the Railroad Commission of Texas ("Staff"); the East Texas Cities ("ETC") whose members include the Cities of DeKalb, Hooks, Lindale, Maud, New Boston, Red Lick, and Tyler, Texas (collectively, "ETC Cities"); the Alliance of CenterPoint Municipalities ("ACM") whose members include the Cities of Center, Clarksville City, Crockett, Gladewater, Jacksonville, Kilgore, Longview, Lufkin, Marshall, Mineola, Mt. Pleasant, and White Oaks, Texas (collectively "ACM Cities"); and the Steering Committee of Cities ("SCC") whose members include the Cities of Anahuac, Beaumont, Bridge City, Cleveland, Dayton, Huntsville, Liberty, Nederland, Orange, Pine Forest, Pinehurst, Rose City, Silsbee, and Sour Lake, Texas (collectively "SCC Cities"); (collectively, the "Signatories"). The Signatories recommend that the Commission approve the Partial Settlement Agreement and sign below as evidence of that recommendation.

WHEREAS, on July 2, 2012, CenterPoint filed its Statement of Intent to Increase Rates with the Railroad Commission of Texas ("Commission") and each of the cities in the Beaumont/East Texas Division retaining original jurisdiction; and

WHEREAS, the Commission docketed the rate request as GUD No. 10182; and

WHEREAS, the SCC Cities, ACM Cities, ETC Cities, and Commission Staff sought intervention and were granted party status in GUD No. 10182; and

WHEREAS, the SCC, ACM, and ETC Cities either have or will timely deny the Company's rate request filed with their member cities, which denials will be subsequently appealed to the Commission and consolidated with GUD No. 10182; and

WHEREAS, the Signatories agree that partial resolution of this docket by agreeing on the applicable cost of capital will significantly reduce the amount of reimbursable rate case expenses associated with this docket;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to and recommend for approval by the Commission the following Partial Settlement Terms as a means of establishing the cost of capital to be used in this docket to calculate rates:

Partial Settlement Terms

1. The Signatories agree that the following capital structure and weighted cost of capital, including the pre-tax return, is reasonable and should be used to calculate rates in GUD No. 10182.

	Capital Structure	Debt/Equity Cost	Weighted Cost of Capital	Pre-Tax Return
Long-Term Debt	42%	6.46%	2.71%	2.71%
Common Equity	58%	10%	5.80%	8.92%
Rate of Return	100%		8.51%	11.64%

2. The Signatories agree to support and seek Commission approval of this Partial Settlement Agreement.
3. The Signatories agree that all negotiations, discussions, and conferences related to the Partial Settlement Agreement are privileged, inadmissible, and not relevant to prove any issues associated with the Statement of Intent to Increase Rates in the Beaumont/East Texas Division filed on July 2, 2012.
4. The Signatories agree that neither this Partial Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the Commission of an order approving this Partial Settlement Agreement.
5. The Signatories agree that the terms of the Partial Settlement Agreement are interdependent and indivisible, and that if the Commission enters an order that is inconsistent with this Partial Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Partial Settlement Agreement or its subsequent withdrawal.
6. The Signatories agree that this Partial Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and except to the extent the Partial Settlement Agreement governs a Signatory's rights and obligations for future periods, this Partial Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.
7. The Signatories agree that this Partial Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this 22 day of October, 2012.

CENTERPOINT ENERGY RESOURCES CORP.

By: _____

Dane McKaughan
Attorney for CenterPoint Energy Resources Corp.

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____

Bill Geise
Director, Gas Services Division of the Railroad Commission of Texas

EAST TEXAS CITIES

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Geoffrey Gay
Attorney for East Texas Cities

ALLIANCE OF CENTERPOINT MUNICIPALITIES

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Alfred Herrera
Attorney for Alliance of CenterPoint Municipalities

STEERING COMMITTEE OF CITIES

By: _____

Dan Lawton
Attorney for Steering Committee of Cities

Agreed to this 23rd day of October, 2012.

CENTERPOINT ENERGY RESOURCES CORP.

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Dane McKaughan
Attorney for CenterPoint Energy Resources Corp.

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
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Director, Gas Services Division of the Railroad Commission of Texas

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Agreed to this 23rd day of October, 2012.

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Attorney for CenterPoint Energy Resources Corp.

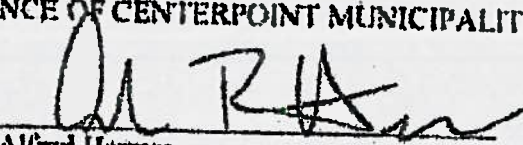
STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
Bill Geise
Director, Gas Services Division of the Railroad Commission of Texas

EAST TEXAS CITIES

By: _____
Geoffrey Gay
Attorney for East Texas Cities

ALLIANCE OF CENTERPOINT MUNICIPALITIES

By: 
Alfred Herrera
Attorney for Alliance of CenterPoint Municipalities

STEERING COMMITTEE OF CITIES

By: _____
Dan Lawton
Attorney for Steering Committee of Cities

Agreed to this 3rd day of October, 2012.

CENTERPOINT ENERGY RESOURCES CORP.

By: _____
Dane McKaughan
Attorney for CenterPoint Energy Resources Corp.

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
Bill Geise
Director, Gas Services Division of the Railroad Commission of Texas

EAST TEXAS CITIES

By: _____
Geoffrey Gay
Attorney for East Texas Cities

ALLIANCE OF CENTERPOINT MUNICIPALITIES

By: _____
Alfred Herrera
Attorney for Alliance of CenterPoint Municipalities

STEERING COMMITTEE OF CITIES

By: Stephen Mack for
Dan Lawton
Attorney for Steering Committee of Cities

CenterPoint Energy
Beaumont-East Texas Division
GUD Docket No. 10182

Line No.	Class	SUB- FCA	Description	Gross Plant 12/31/2011	RRC Approved Depreciation Rate	Annual Depreciation	Accumulated Depreciation	Net Plant	Standard Allocation	Standard Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Intangible Plant										
1	G30101	8000	ORGAN. COSTS	\$ 534	0.00%	\$ -	-	-	-	-
2	G30201	8010	FRANCH/CONSENTS	88,580	0.00%	-	-	-	-	-
3	G30301	8035	PL INTERCNT/OTHE	21,482	20.00%	4,296	-	-	-	-
4	G30301	8035	PL INTERCNT/OTHE	84,849	0.00%	-	-	-	-	-
5	G30301	8035	PL INTERCNT/OTHE- GEN	428,755	0.00%	-	-	-	-	-
6	G30301	8035	PL INTERCNT/OTHE- GEN	1,958,201	10.00%	195,820	-	-	-	-
7	G30301	8035	PL INTERCNT/OTHE- GEN	58,514	20.00%	11,783	-	-	-	-
8	G30301	8060	SOFTWARE - SAP - GEN	2,404,576	0.00%	-	-	-	-	-
9	Subtotal			\$ 5,001,571		\$ 211,579				
Distribution Plant										
10	G37401	8840	LAND	\$ 73,921	0.00%	\$ -	-	-	-	-
11	G37402	8880	LAND RIGHTS	488,888	1.12%	4,589	-	-	-	-
12	G37501	8900	STRUC-CTY GT/ML	83,580	1.88%	1,405	-	-	-	-
13	G37601	8950	MAINS	-	0.00%	-	-	-	-	-
14	G37601	8951	MAINS	51,149,716	2.89%	1,375,927	-	-	-	-
15	G37601	8952	MAINS	70,182,715	2.25%	1,579,111	-	-	-	-
16	G37601	8965	MAINS	-	0.00%	-	-	-	-	-
17	G37601	8980	MAINS	-	0.00%	-	-	-	-	-
18	G37801	8980	M/R STAT EQ-GEN	2,237,256	4.83%	108,059	-	-	-	-
19	G37801	7000	M/R STAT EQ-GEN	539,419	7.09%	38,245	-	-	-	-
20	G37901	7010	M/R STAT EQ-OG	3,008,892	3.91%	117,848	-	-	-	-
21	G38001	7022	SERVICES	8,855,576	3.12%	207,854	-	-	-	-
22	G38001	7023	SERVICES	60,015,122	3.99%	2,394,803	-	-	-	-
23	G38101	7050	METERS	118,975	2.97%	3,474	-	-	-	-
24	G38101	7050	METERS M&R	10,525,100	3.80%	368,379	-	-	-	-
25	G38101	7075	METERS	-	0.00%	-	-	-	-	-
26	G38201	7080	METER INSTALL	10,561,425	4.27%	450,873	-	-	-	-
27	G38201	7090	METER INSTALL	4,254,738	3.88%	155,574	-	-	-	-
28	G38301	7120	REGULATORS	5,108	3.92%	200	-	-	-	-
29	G38301	7120	REGULATORS M&R	4,170,822	5.77%	240,556	-	-	-	-
30	G38301	7130	REGULATORS	133,089	3.29%	4,379	-	-	-	-
31	G38301	7130	REGULATORS M&R	187,728	8.30%	13,921	-	-	-	-
32	G38501	7150	IND, M/R STAT	148,808	4.02%	5,894	-	-	-	-
33	G38601	7157	OTH PROP-CUST	-	0.00%	-	-	-	-	-
34	G38701	7160	OTHER EQUIP	1,154,284	3.45%	39,822	-	-	-	-
35	G38701	7160	OTHER EQUIP - GEN	1,220	4.42%	54	-	-	-	-
36	G38801	7168	RET COSTS	-	0.00%	-	-	-	-	-
37	G38801	7167	RET COSTS	-	0.00%	-	-	-	-	-
38	Subtotal			\$ 225,593,037		\$ 7,111,567				
General Plant										
39	G39001	7200	STRUCT/IMPR	\$ 489,302	2.47%	\$ 12,088	-	-	-	-
40	G39001	7225	STRUCT/IMPR	-	0.00%	-	-	-	-	-
41	G39002	7225	LEASEHLD IMPR	253,137	9.04%	22,884	-	-	-	-
42	G39002	7225	LEASEHLD IMPR- GEN	20,252	0.10%	20	-	-	-	-
43	G39101	7230	OFF FURNEQUIP	-	0.00%	-	-	-	-	-
44	G39101	7232	OFF FURNEQUIP	109,832	5.00%	5,492	-	-	-	-
45	G39101	7232	OFF FURNEQUIP - GEN	145,491	0.00%	-	-	-	-	-
46	G39102	7280	COMPUTER H/W - GEN	124,033	14.28%	17,724	-	-	-	-
47	G39301	7355	STORES EQUIP	-	0.00%	-	-	-	-	-
48	G39401	7362	TOOLS,SHOP,GAR	1,313,857	10.00%	131,386	-	-	-	-
49	G39401	7364	TOOLS,SHOP,GAR	-	0.00%	-	-	-	-	-
50	G39401	7368	TOOLS,SHOP,GAR	-	0.00%	-	-	-	-	-
51	G39501	7370	LAB EQUIPMENT	-	0.00%	-	-	-	-	-
52	G39601	7380	POWER OP. EQ	1,736,389	17.28%	300,045	-	-	-	-
53	G39701	7390	COMM EQ-TELECM	53,874	8.67%	3,600	-	-	-	-
54	G39701	7390	COMM EQ-TELECM - GEN	4,883	5.00%	243	-	-	-	-
55	G39703	7420	COMM EQ-MTR RD	328,827	5.00%	16,431	-	-	-	-
56	G39801	7450	MISC EQUIPMENT	87,041	10.00%	8,704	-	-	-	-
57	G39801	7450	MISC EQUIPMENT - GEN	4,463	8.67%	298	-	-	-	-
58	G39901	7455	OTH TANG PROP	-	0.00%	-	-	-	-	-
59	Subtotal			\$ 4,851,031		\$ 518,893				
Transportation & MWE Equipment										
60	G39201	7300	AUTOS	\$ 31,579	10.66%	\$ 3,368	-	-	-	-
61	G39201	7300	AUTOS - GEN	2,489	12.50%	311	-	-	-	-
62	G39201	7320	TRUCKS	4,897,249	10.66%	522,047	-	-	-	-
63	G39201	7320	TRUCKS - GEN	5,821	12.50%	728	-	-	-	-
64	G39201	7340	TRAILERS	413,300	10.66%	44,058	-	-	-	-
65	Subtotal			\$ 5,359,438		\$ 570,510				
66	Total Beaumont - East Texas Division			\$ 240,598,377		\$ 8,410,849	\$ 112,358,374	\$ 128,238,003	98.898985%	\$ 124,261,298

GUD No. 10182

Final Order

Approved Tariffs

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
RESIDENTIAL SERVICE
RATE SCHEDULE NO. R-2091**

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 -- \$16.00;

(2) Commodity Charge --

For customers billed at a 14.65 Pressure Base:
All Ccf @ 14.65 \$0.1238

For customers billed at a 14.73 Pressure Base:
All Ccf @ 14.73 \$0.1245

For customers billed at a 14.95 Pressure Base:
All Ccf @ 14.95 \$0.1263

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

(d) Rate Case Expense Recovery -- Rate Case Expense Recovery will be calculated and adjusted periodically as defined in the Company's applicable Rate Case Expense Recovery Rate Schedule.

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.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-SMALL
RATE SCHEDULE NO. GSS-2091**

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 – \$23.75;

(2) Commodity Charge –

For customers billed at a 14.65 Pressure Base:
All Ccf @ 14.65 \$0.06440

For customers billed at a 14.73 Pressure Base:
All Ccf @ 14.73 \$0.06475

For customers billed at a 14.95 Pressure Base:
All Ccf @ 14.95 \$0.06572

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

(d) Rate Case Expense Recovery – Rate Case Expense Recovery will be calculated and adjusted periodically as defined in the Company's applicable Rate Case Expense Recovery Rate Schedule.

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.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-622**

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 - \$63.75;

(2) Commodity Charge -

All Ccf @ \$0.03000

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

(d) Rate Case Expense Recovery - Rate Case Expense Recovery will be calculated and adjusted periodically as defined in the Company's applicable Rate Case Expense Recovery Rate Schedule.

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.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-622**

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 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit.

The term "Mcf" shall mean 1,000 cubic feet of gas.

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
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSV-622**

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 Mof, 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.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
SCHEDULE OF MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE NO. MISC-12**

GAS SERVICE

1.	Institution of service to residential or general service	\$40
	After-hours surcharge for each after-hours service call	\$47
2.	Restore service after termination for non-payment, cut-off by customer or agent or for convenience of customer	\$40
	After-hours surcharge for each after-hours service call	\$47
3.	Turning off service to active meter – account not finalled (per trip)	\$20
	After-hours surcharge for each after-hours service call	\$47
4.	Special meter test at customer's request (see General Rules and Regulations for special situations) – same customer at same location is allowed one test free of charge every four years)	\$15
5.	Change customer meter	\$55
6.	Change residential meter location: Minimum charge	\$350
	Additional meters in manifold each	
	(Plus cost of materials)	\$55
7.	Tap Charge	N.C.*
8.	Installation of remote read device where company cannot get access to read meter	\$180
9.	Disconnect service at main	\$300
	(Plus any costs arising out of any city ordinance or regulation governing work in city streets)	
10.	Restore service at main after termination for non-payment	\$300
	(Plus cost of materials)	
11.	Temporary transfer of individually metered multi-family service from vacating tenant to apartment complex owner. (Applicable to read and transfer transactions only. Precedent written agreement required.)	N.C.

*Except where Company is required to pay tap charge to pipeline supplier to serve the consumer, the consumer shall reimburse Company.

OTHER CHARGES

12.	Collection call - trip charge (not collected under miscellaneous service item no. 3 - Turning off service to active meter)	\$20
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**CENTERPOINT ENERGY RESOURCES CORP.
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AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
SCHEDULE OF MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE NO. MISC-12**

13. Returned check

\$20

DEPOSITS

Up to the maximum amount allowed under the Railroad Commission of Texas Quality of Service Rule §7.45(5)(C)(ii) (the "one-sixth rule"). If there is no billing history on the customer's account, then the one-sixth rule will be applied to the customer's account based on similarly-situated customers located in the geographic area.

TAX ADJUSTMENT

The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's Tax Adjustment Rate Schedule.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-11**

1. **PURCHASED GAS ADJUSTMENT (PGA) APPLICABILITY**

The Monthly Rate contained in the Company's total billing to residential and general service customers shall include the cost of natural gas purchased for resale hereunder.

2. **RATE CALCULATION**

The Purchased Gas Adjustment (PGA) Rate shall be calculated according to the following formula and included in the Monthly Rate:

$$\text{PGA Rate (per Mcf sold)} = [(G \times R) \pm DA] \text{ rounded to the nearest } \$0.0001$$

$$\text{PGA Rate (per Cof sold)} = \text{PGA Rate (per Mcf sold)} + 10$$

Definitions:

G = The Company's best estimate of the cost of natural gas (per Mcf) to be purchased for resale hereunder during the period that the PGA Rate is to be effective. The cost of natural gas shall include the cost of gas supplies purchased for resale hereunder, upstream transportation charges, storage charges, the cost of gas withdrawn from storage less the cost of gas injected into storage, and any transaction-related fees, gains or losses and other transaction costs associated with the use of various financial instruments used by the Company to stabilize prices.

R = Ratio derived by dividing the actual Mcf purchased for the customers billed hereunder for the twelve months ended the preceding August by the actual Mcf sold to the customers billed hereunder during the same period.

DA = Surcharge or surcredit, calculated on a per Mcf basis, relating to Deferred Purchased Gas Cost Accounts, as defined below.

3. **PGA FILINGS**

PGA filings shall be filed with the Railroad Commission of Texas (the "Regulatory Authority") by the last business day of the month immediately preceding the month the proposed new PGA factor will be implemented. The PGA filing shall include a calculation of the estimated PGA Rate together with supporting documents. Each such tentative PGA Rate shall become effective for bills rendered on and after the first day of the calendar month and shall continue to be in effect until the next filing, unless after the PGA filing, the Regulatory Authority takes action to disapprove or modify such PGA rate. In the event that the Regulatory Authority takes such action, then the PGA rate shall be in effect on an interim basis pending the final decision of the Regulatory Authority, and any person designated by the Regulatory Authority shall have the right and power to order the filing of any reasonable additional information. Any adjustment to the PGA Rate relating to a prior period shall be made prospectively.

4. **DEFERRED PURCHASED GAS COST ACCOUNTS**

The Company shall establish and maintain Deferred Gas Cost Account(s) in which shall be recorded: (a) the balance of over or under recoveries of the cost of gas purchased for resale hereunder, determined for the period ending on the last day prior to the effective day of this revised Purchased Gas Adjustment rate schedule, including subsequent corrections and amendments thereto; and (b) any over or under recovery of

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-11**

the cost of gas purchased for resale hereunder resulting from the operation of the PGA procedure commencing with the first day of this revised purchased gas cost adjustment. Such ongoing over or under recovery shall include: (a) gas cost revenue recovery amounts for the revenue month; (b) the cost of gas purchased for resale hereunder for the same month as the revenue month; (c) carrying charge or credit amounts calculated based on the arithmetic average of the beginning and ending month balance of under or over recovery for the revenue-cost month times six percent (6%); and (d) carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the pre-tax rate of return as determined in Docket No. GUD10182.

CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
BEAUMONT/EAST TEXAS DIVISION
RATE SHEET
RATE CASE EXPENSE RECOVERY RATE SCHEDULE NO. RCE-8

APPLICATION OF SCHEDULE

This schedule applies to all residential, small commercial, and large volume customers in the Beaumont/East Texas Division impacted by the Company's Statement of Intent to Increase Rates filed on July 2, 2012 that resulted in the Final Order issued in GUD No. 10182, and consolidated cases.

This rate schedule is for the recovery of rate case expense and shall be in effect beginning on or after December 11, 2012, for a thirty-six (36) month period or until all approved expenses are collected.

MONTHLY RATE RECOVERY FACTOR:

Residential \$0.16 per bill
General Service-Small \$0.16 per bill
General Service-Large \$0.16 per bill

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.

COMPLIANCE

The Company will file annually, due on the 1st of each December, a report with the RRC Gas Services Division. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance.