

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

APPLICATION OF CENTERPOINT ENERGY ENTEX FOR THE TEST YEAR 2015 ANNUAL INTERIM RATE ADJUSTMENT PROGRAM FOR THE ENVIRONS OF THE HOUSTON DIVISION AND THE CITIES OF CUT AND SHOOT, GALENA PARK, JACINTO CITY, NEW WAVERLY, PANORAMA VILLAGE, ROMAN FOREST, SOUTH HOUSTON, SOUTHSIDE PLACE, WEST UNIVERSITY PLACE AND WILLIS, WHICH HAVE CEDED JURISDICTION TO THE COMMISSION PURSUANT TO GURA SECTION103.003.	§ § § § § § § § § § § § §	GAS UTILITIES DOCKET NO. 10508
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INTERIM RATE ADJUSTMENT 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 (2013). The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders:

FINDINGS OF FACT

Background

1. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company") is a "gas utility," as that term is defined in the TEXAS UTILITY CODE, and is subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
2. CenterPoint owns and operates a natural gas distribution system.
3. On March 31, 2016, CenterPoint filed an application for an annual interim rate adjustment ("IRA") to its rates for gas service to customers located in the environs of the Company's Houston Division as well as the above named cities that have ceded original jurisdiction to the Commission.

4. On March 31, 2016, CenterPoint requested that the interim rate adjustment become effective on May 30, 2016.
5. On April 1, 2016, the Commission suspended implementation of the Company's proposed interim rate adjustment until July 14, 2016, which would be 45 days following the 60th day after the application would be considered complete.
6. Neither TEX. UTIL. CODE §104.301(2007) nor 16 TEX. ADMIN. CODE, §7.7101 (2010) provides the opportunity for parties to intervene in the Commission's review of an application for an annual interim rate adjustment.
7. 16 TEX. ADMIN. CODE §7.7101 allows written comments or a protest, concerning the proposed IRA, to be filed with the Gas Services Division.
8. Three letters of opposition were received in the docket from identified Houston division customers.
9. As of the date of this interim order, no further questions or comments were received by the Commission from the customers in opposition.
10. This docket represents the sixth annual IRA for CenterPoint in the Houston Division since Gas Utility Docket ("GUD") No. 9902.¹
11. GUD No. 10067 was the first annual IRA for CenterPoint in the Houston Division.
12. Until promulgation of TEX. UTIL. CODE §104.301 (2007), a utility could not increase its rates subject to the Commission's jurisdiction without filing with the Commission a formal statement of intent rate case, including a comprehensive cost of service rate review.
13. The proposed IRA will allow CenterPoint an opportunity to recover, subject to refund, a return on investment, depreciation expense, and related taxes on the incremental cost of infrastructure investment since its last rate case, without the necessity of filing a statement of intent rate case and without review by the Commission of the Company's comprehensive cost of service.

Applicability

14. This docket applies to only those rates over which the Commission has original jurisdiction, which includes the environs of the Houston division and the Cities of Cut and Shoot, Galena Park, Jacinto City, New Waverly, Panorama Village, Roman Forest, South Houston,

¹ *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 Houston Division.*

Southside Place, West University, and Willis which have ceded Jurisdiction to the Commission Pursuant to GURA § 103.003.

- 15. CenterPoint’s average monthly customer count for 2015 in the Houston Division was 974,665 residential customers, 45,818 small commercial customers, and 2,122 large volume customers.
- 16. CenterPoint’s average monthly customer count for 2015 in the Houston Division subject to this order was 495,647 residential customers, 18,186 small commercial customers and 569 large volume customers.

Most Recent Comprehensive Rate Case

- 17. CenterPoint’s most recent rate case for the area in which the IRA will be implemented is GUD No. 9902, *Statement of Intent Filed by 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 Houston Division.*
- 18. GUD No. 9902 was filed on July 31, 2009.
- 19. The data used in GUD No. 9902 was based on a test-year ending March 31, 2009.
- 20. The Commission signed the GUD No. 9902 Final Order on February 23, 2010, and the rates became effective the same day.
- 21. The following factors were established in GUD No. 9902 to calculate the return on investment, depreciation expense, and incremental federal income taxes for CenterPoint’s Houston Division:

Rate of Return	8.6505%
Depreciation Rate	3.55%
Federal Income Tax Rate	35%

Interim Rate Adjustment

- 22. The revenue amounts to be recovered through CenterPoint’s proposed annual interim rate adjustments are incremental to the revenue requirement established in the Company’s most recent rate case for the area in which the interim rate adjustment is to be implemented, GUD No. 9902, and subsequent interim rate adjustments.
- 23. In this sixth interim rate adjustment, CenterPoint adjusted its rates based on the difference between invested capital from December 31, 2014 and December 31, 2015.

24. CenterPoint seeks approval from the Commission for an adjustment to its revenue based on incremental net utility plant investment with regard to the following components: return on investment; depreciation expense; ad valorem taxes; and federal income taxes. The incremental change in revenue requirement to be recovered through this IRA filing from all rate classes using the approved component factors is **\$7,672,668** (Exhibit B), of which **\$3,687,975** is attributable to customers subject to this order.
25. The value of CenterPoint's invested capital is equal to the original cost of the investment at the time the investment was first dedicated to public use minus the accumulated depreciation related to that investment for the Company's interim rate adjustments.
26. CenterPoint's incremental net utility plant investment increase is **\$47,190,297** (Exhibit B).
27. CenterPoint is required to use the same factors to calculate the interim return on investment, depreciation expense, ad valorem taxes; and federal income taxes as those established or used in the final order setting rates in the Company's most recent rate case for the area in which the interim rate adjustment is to be implemented (GUD No. 9902).
28. CenterPoint filed the Commission's Annual Earnings Monitoring Report (EMR) as required by 16 TEX. ADMIN. CODE § 7.7101. The Company's actual rate of return was 8.78% for the test year ended December 31, 2015, which is less than 75 basis points in excess of the 8.6505% allowed rate of return established in GUD No. 9902.
29. Gas Utilities Docket No. 9902, CenterPoint's most recent Statement of Intent rate case for the unincorporated and incorporated areas of the Houston service area and the basis for the key factors in an Interim Rate Adjustment (IRA) calculation, was approved by the Commission on February 23, 2010. Customer Charges are shown in Column B of the table below.
30. The interim rate adjustments approved for Gas Utilities Docket No. 10067, the *first* IRA application for the unincorporated areas of the Houston service area and the cities of the Houston service area that have ceded original jurisdiction to the Commission are shown in Column C, below.
31. The interim rate adjustments approved for Gas Utilities Docket No. 10150, the *second* IRA application for the unincorporated areas of the Houston service area and the cities of the Houston service area that have ceded original jurisdiction to the Commission are shown in Column D, below.
32. The interim rate adjustments approved for Gas Utilities Docket No. 10256, the *third* IRA application for the unincorporated areas of the Houston service area and the cities of the Houston service area that have ceded original jurisdiction to the Commission are shown in Column E, below.

- 33. In Gas Utilities Docket No. 10344, the *fourth* IRA application for the unincorporated areas of the Houston service area and the cities of the Houston service area that ceded original jurisdiction to the Commission, CenterPoint requested and was granted a suspension of an interim rate adjustment in accordance with TEX. UTIL. CODE §104.301(c) and 16 TEX. ADMIN. CODE, §7.7101(k). Therefore rates approved in GUD No. 10256 remained in effect for the IRA filed period as shown in Column F, below.
- 34. In Gas Utilities Docket No. 10434, the *fifth* IRA application for the unincorporated areas of the Houston service area and the cities of the Houston service area that ceded original jurisdiction to the Commission, CenterPoint again requested and was granted a suspension of an interim rate adjustment in accordance with TEX. UTIL. CODE §104.301(c) and 16 TEX. ADMIN. CODE, §7.7101(k). Therefore rates approved in GUD No. 10256 remained in effect for the IRA filed period as shown in Column G, below.
- 35. The interim rate adjustments proposed in this Docket, the *sixth* IRA application for the unincorporated areas of the Houston service area and the cities of the Houston service area that have ceded original jurisdiction to the Commission, are shown in Column H, below.
- 36. When the Customer Charge as established in Gas Utilities Docket No. 9902 and Interim Rate Adjustments (Columns B, C, D, E, F, G and H) are added, the resulting customer charges for affected customer classes are as shown in Column I of the table below.

Houston Service Area Customer Charges and Interim Rate Adjustments (IRA)

A	B	C	D	E	F	G	H	I
Customer Type	GUD 9902	GUD 10067 (2010 IRA)	GUD 10150 (2011 IRA)	GUD 10256 (2012 IRA)	GUD 10344 (2013 IRA)	GUD 10434 (2014 IRA)	GUD 10508 (2015 IRA)	Total Customer Charge
Residential	\$ 13.54	\$ 0.20	\$ 0.73	\$ 0.82	\$ 0.00	\$ 0.00	\$ 0.56	\$ 15.85
General Service-Small	\$ 14.59	\$ 0.29	\$ 1.10	\$ 1.26	\$ 0.00	\$ 0.00	\$ 0.83	\$ 18.07
General Service-Large	\$ 191.00	\$ 5.57	\$ 23.88	\$ 30.55	\$ 0.00	\$ 0.00	\$ 25.79	\$276.79

Note: *Applicable to the unincorporated areas of the Houston Service Area and the cities that have ceded jurisdiction to the Commission.*

- 37. CenterPoint filed its Annual Project Report as required by 16 TEX. ADMIN. CODE § 7.7101 (2010).
 - 1. Net capital additions included in this docket totaled \$ 47,190,297.²
 - 2. Gross capital project additions totaled \$ 93,356,802.³

² Schedule IRA 3.

³ Schedule Summary IRA 12 and IRA 14.

3. The percentage of additions in this filing that are safety related is 31.66%.⁴
38. CenterPoint proposed the interim rate adjustment as a flat rate to be applied to the monthly customer charges rather than as a volumetric rate to be applied to the initial block usage rates (Exhibit B).
39. The Company is required to show its annual interim rate adjustments on its customers' monthly billing statements as a surcharge.
40. The proposed interim rate adjustment does not require an evidentiary proceeding; rather, TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE, §7.7101 require the regulatory authority to review a utility's method of calculating the interim rate adjustment.
41. Due process protections are deferred until CenterPoint files its next full statement of intent rate case.

Notice

42. Adequate notice by CenterPoint was provided to its residential, general service - small, and general service - large volume customers by bill insert beginning on April 15, 2016, and ending on May 12, 2016, and, as a result, was completed within 45 days of the filing, fulfilling the requirements under TEX. UTIL. CODE §104.301(a).

Comprehensive Rate Case Required

43. CenterPoint is not required to initiate a statement of intent rate case at the time it applies for an interim rate adjustment.
44. Under 16 TEX. UTIL. CODE § 7.7101(l) (2010), a gas utility that implements an interim rate adjustment and does not file a rate case before the fifth anniversary of the date its initial interim rate adjustment became effective is required to file a rate case no later than the 180th day after that anniversary.
45. CenterPoint is required to file a statement of intent rate case for the Houston Division Environs and cities that have ceded jurisdiction to the Commission no later than January 7, 2017.
46. Under 16 TEX. ADMIN. CODE § 7.7101(j), any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall be fully subject to review for reasonableness and prudence in the next rate case. Per 16 TEX. ADMIN. CODE

⁴ CenterPoint's Response to Staff's RFI No. 1-4.

§ 7.7101(i), all amounts collected from customers under an interim rate adjustment tariff are subject to refund until the conclusion of the next rate case.

Review of Interim Rate Adjustment

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

Customer Class	Allocation Factors
Residential	0.855216
General Service - Small	0.059225
General Service – Large Volume	0.085559

49. CenterPoint's proposed customer counts comply with TEX. UTIL. CODE, §104.301, and with 16 TEX. ADMIN. CODE, §7.7101. For calculating the number of customer charges per year, it is reasonable for the Commission to approve use of the 2015 monthly summation of customer bills. The following total numbers of customer charges for use in the calculation of the interim rate adjustment are reasonable:

Customer Class	Annual Number of Customer Charges
Residential	11,695,980
General Service - Small	549,816
General Service – Large Volume	25,459
Total	12,271,255

50. It is reasonable for the Commission to approve CenterPoint's applications for interim rate adjustments. The following amounts of interim rate adjustment revenue and additional customer charges by customer class are reasonable:

Customer Class	Interim Rate Adjustment Revenue	IRA Revenue From Environs and Ceded Jurisdiction Cities	Additional Customer Charge
Residential	\$6,561,788	\$3,330,748	\$0.56
General Service - Small	\$454,414	\$181,133	\$ 0.83
General Service – Large Volume	\$656,466	\$176,094	\$25.79
Total Increase	\$7,672,668	\$3,687,975	

Reimbursements of Expense

- 51. As provided for in the statute and the rule, a gas utility that implements an interim rate adjustment is required to reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the interim rate adjustment mechanism.
- 52. After the Commission has finally acted on CenterPoint’s application for an interim rate adjustment, the Director of the Oversight and Safety Division will estimate the Company’s proportionate share of the Commission's annual costs related to the processing of such applications.
- 46. In making the estimate of CenterPoint’s proportionate share of the Commission's annual costs related to the processing of such applications, the Director will take into account the number of utilities the Commission reasonably expects to file for interim rate adjustments during the fiscal year, and the costs expected to be incurred in processing such applications.
- 47. CenterPoint is required to reimburse the Commission for the amount determined by the Director of the Oversight and Safety Division, within thirty days after receipt of notice of the amount of the reimbursement.

CONCLUSIONS OF LAW

- 1. CenterPoint is a “gas utility” as defined in TEX. UTIL. CODE §§101.003(7), and 121.001, and is therefore subject to the jurisdiction of the Railroad Commission of Texas (“Commission”).
- 2. The Commission has jurisdiction over CenterPoint, the Company’s applications for interim adjustments for incremental changes in investment, and the subject matter of this case under TEX. UTIL. CODE §§102.001, 104.001, 104.002, and 104.301.
- 3. Under TEX. UTIL. CODE. §102.001, the Commission has exclusive 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. Under the provisions of the TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE § 7.7101, CenterPoint is required to seek Commission approval before implementing an interim rate adjustment tariff for environs customers.
 5. The Company filed its application for interim rate adjustments for changes in investment in accordance with the provisions of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE § 7.7101.
 6. CenterPoint's application for an interim rate adjustment was processed in accordance with the requirements of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101.
 7. In accordance with 16 TEX. ADMIN. CODE §7.315, within thirty days of the effective date of any change to rates or services, the Company is required to file with the Commission its revised tariffs.
 8. The Company may not charge any rate that has not been successfully filed and accepted as a tariff filing electronically pursuant to TEX. UTIL. CODE §§ 102.151, and 104.002 and 16 TEX. ADMIN. CODE §7.315.
 9. In accordance with TEX. UTIL. CODE §104.301(a) and 16 TEX. ADMIN. CODE §7.7101(a), the filing date of CenterPoint's most recent rate case, in which there is a final order setting rates for the area in which the interim rate adjustment will apply, was no more than two years prior to the date the Company filed its initial interim rate adjustment.
 10. The Company is required, under TEX. UTIL. CODE §104.301(e) and 16 TEX. ADMIN. CODE §7.7101(d), to file with the Commission an annual project report, including the cost, need, and customers benefited by the change in investment, and describing the investment projects completed and placed in service during the preceding calendar year and the investments retired or abandoned during the preceding calendar year.
 11. CenterPoint shall include in all future annual interim rate adjustment filings, relocation project reports that provide additional information about relocation project costs included in investment projects, in the same format as required in this docket.
 12. CenterPoint is required, under TEX. UTIL. CODE §104.301(f) and 16 TEX. ADMIN. CODE §7.7101(e), to file with the Commission an annual earnings monitoring report demonstrating the Company's earnings during the preceding calendar year.

13. CenterPoint is required, under 16 TEX. ADMIN. CODE §7.7101(h), to recalculate its approved interim rate adjustments annually and is required to file an application for an annual adjustment no later than 60 days prior to the one-year anniversary of the proposed implementation date of the previous interim rate adjustment application.
14. In accordance with 16 TEX. ADMIN. CODE §7.7101(i), all amounts collected from customers under CenterPoint's interim rate adjustment tariffs or rate schedules are subject to refund. The issues of refund amounts, if any, and whether interest should be included on refunded amounts and, if so, the rate of interest, shall be addressed in the rate case a gas utility files or the Commission initiates after the implementation of an interim rate adjustment and shall be the subjects of specific findings of fact in the Commission's final order setting rates.
15. In accordance with 16 TEX. ADMIN. CODE §7.7101(j), in the rate case that CenterPoint files or the Commission initiates after the implementation of an interim rate adjustment, any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall be fully subject to review for reasonableness and prudence. Upon issuance of a final order setting rates in the rate case that the Company files or the Commission initiates after the implementation of an interim rate adjustment, any change in investment and related expenses and revenues that have been included in any interim rate adjustment shall no longer be subject to review for reasonableness or prudence.
16. The Commission has authority to suspend the implementation of the interim rate adjustment, under TEX. UTIL. CODE §104.301(a) and 16 TEX. ADMIN. CODE §7.7101(e).
17. CenterPoint provided adequate notice, in accordance with TEX. UTIL. CODE §104.301(a) and 16 TEX. ADMIN. CODE §7.7101(b).
18. The Company's application for interim rate adjustments, as proposed, complies with all provisions of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101.
19. CenterPoint's interim rate adjustments established in the findings of fact and conclusions of law, comply with the provisions of TEX. UTIL. CODE §104.301 and 16 TEX. ADMIN. CODE §7.7101.
20. In accordance with TEX. UTIL. CODE §104.301(h) and 16 TEX. ADMIN. CODE §7.7101(l), the Company shall file a comprehensive rate case for the areas in which the interim rate adjustment is implemented, no later than the 180th day after the fifth anniversary of the date its initial interim rate adjustment became effective.
21. The Commission has authority, under TEX. UTIL. CODE §104.301(j) and 16 TEX. ADMIN. CODE §7.7101(m), to recover from CenterPoint the Company's proportionate share of the Commission's annual costs related to the administration of the interim rate adjustment mechanism.

IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT CenterPoint's interim rate adjustments as requested and to the extent recommended to be approved in the findings of fact and conclusions of law are **HEREBY APPROVED** to be effective for bills rendered on or after the date of this order.

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

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

IT IS FURTHER ORDERED THAT CenterPoint **SHALL** reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the IRA mechanism. The amount of this reimbursement shall be determined by the Director of the Oversight and Safety Division. This Order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this Order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

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

SIGNED this 21st day of June, 2016.

RAILROAD COMMISSION OF TEXAS



DAVID PORTER
CHAIRMAN



CHRISTI CRADDICK
COMMISSIONER



RYAN SINTON
COMMISSIONER

ATTEST




SECRETARY

GUD NO. 10508

EXHIBIT A

Tariffs

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
HOUSTON DIVISION
RATE SHEET
RESIDENTIAL SERVICE
RATE SCHEDULE NO. R-2080-GRIP 2016**

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 – \$15.85;*
- (2) Commodity Charge –
All Ccf \$0.0308 per Ccf

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

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

PAYMENT

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

RULES AND REGULATIONS

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

*Customer Charge	\$13.54
2011 GRIP Charge	.20
2012 GRIP Charge	.73
2013 GRIP Charge	.82
2014 GRIP Charge	Suspended
2015 GRIP Charge	Suspended
2016 GRIP Charge	<u>.56</u>
Total Customer Charge	\$15.85

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
HOUSTON DIVISION
RATE SHEET
GENERAL SERVICE-SMALL
RATE SCHEDULE NO. GSS-2080-GRIP 2016**

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 – \$18.07;*
 - (2) Commodity Charge –
All Ccf \$0.0403 per Ccf
- (b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and applicable Franchise Fee Adjustment Rate Schedule.
- (c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Ccf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

PAYMENT

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

RULES AND REGULATIONS

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

*Customer Charge	\$14.59
2011 GRIP Charge	.29
2012 GRIP Charge	1.10
2013 GRIP Charge	1.26
2014 GRIP Charge	Suspended
2015 GRIP Charge	Suspended
2016 GRIP Charge	____.83
Total Customer Charge	\$18.07

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
HOUSTON DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-611-GRIP 2016**

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 – \$276.79;*
 - (2) Commodity Charge –
All Ccf \$0.0554 per Ccf
- (b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and applicable Franchise Fee Adjustment Rate Schedule.
- (c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Mcf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

WRITTEN CONTRACT

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

*Customer Charge	\$191.00
2011 GRIP Charge	5.57
2012 GRIP Charge	23.88
2013 GRIP Charge	30.55
2014 GRIP Charge	Suspended
2015 GRIP Charge	Suspended
2016 GRIP Charge	25.79
Total Customer Charge	\$276.79

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
HOUSTON DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-611-GRIP 2016**

MEASUREMENT

The term "cubic foot of gas" for the purpose of measurement of the gas delivered and for all other purposes is the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.95 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit.

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

The Sales Unit shall be one Mcf.

Assumed Atmospheric Pressure - The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time.

Orifice Meters - When orifice meters are used for the measurement of gas, such orifice meters shall be constructed and installed, and the computations of volume made, in accordance with the provisions of Gas Measurement Committee Report No. 3 of the American Gas Association as revised September, 1969 ("A.G.A. Report No. 3), with any subsequent amendments or revisions which may be mutually acceptable.

The temperature of the gas shall be determined by a recording thermometer so installed that it may record the temperature of the gas flowing through the meter or meters. The average of the record to the nearest one (1) degree Fahrenheit, obtained while gas is being delivered, shall be the applicable flowing gas temperature for the period under consideration.

The specific gravity of the gas shall be determined by a recording gravitometer owned and operated by the pipeline company from whom Company purchases its gas, so installed that it may record the specific gravity of the gas flowing through the meter or meters; provided, however, that the results of spot tests made by the pipeline company with a standard type specific gravity instrument shall be used at locations where the pipeline company does not have a recording gravitometer in service. If the recording gravitometer is used, the average of the record to the nearest one-thousandth (0.001), obtained while gas is being delivered, shall be the applicable specific gravity of the gas for the period under consideration. If the spot test method is used, the specific gravity of the gas delivered hereunder shall be determined once monthly, the result obtained, to the nearest one-thousandth (0.001), to be applicable during the succeeding billing month.

Adjustment for the effect of supercompressibility shall be made according to the provisions of A.G.A. Report No. 3, hereinabove identified, for the average conditions of pressure, flowing temperature and specific gravity at which the gas was measured during the period under consideration, and with the proportionate value of each carbon dioxide and nitrogen in the gas delivered included in the computation of the applicable supercompressibility factors. Company shall obtain appropriate carbon dioxide and nitrogen fraction values as may be required from time to time.

Positive Displacement Meters and Turbine Meters - When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided however, that company shall have the option of installing a recording thermometer, and if company exercises such option, corrections shall be made for each degree variation in the applicable flowing temperature for the period under consideration.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
HOUSTON DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-611-GRIP 2016**

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

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

SUPPLY INTERRUPTIONS

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

CHARGES FOR UNAUTHORIZED OVER-RUN GAS

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

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

RULES AND REGULATIONS

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

GUD NO. 10508

EXHIBIT B

Schedules

SUMMARY
CENTERPOINT ENERGY - HOUSTON DIVISION
Twelve Month Period Ended December 31, 2015

Line No.	Description (a)	Prior Year** (b)	Reference (c)	12/31/15 Current Year (d)	Reference (e)
1	Net Investment	\$ 622,970,491	(IRA-7, Ln. 71, Col. k)	\$ 670,160,788	(IRA-8, Ln. 70, Col. k)
2	Increase in Net Investment			\$ 47,190,297	((Ln. 1, Col. d) minus (Ln. 1, Col. b)); agrees to IRA-9 Ln 71, Col. K
3	Authorized Return on Capital			8.6505%	(IRA-15, Ln. 8, Col. c)
4					
5	Change in Return on Net Investment			\$ 4,082,197	(Ln. 2, Col. d) times (Ln. 3, Col. d)
6	Change in Depreciation Expense			\$ 1,688,111	(IRA-10, Ln. 71, Col. k) plus (IRA-13, Ln. 66, Col. k)
7	Change in Federal, Revenue, and Other Taxes			\$ 1,902,360	(IRA-5, Ln. 3, Col. g) plus (IRA-6, Ln. 22, Col. c) plus (IRA-6, Ln. 26, Col. C)
8	Change in Revenue Requirement			\$ 7,672,668	(Sum Ln. 5 thru 7, Col. d)
9					
10	Annual Number of Bills			12,271,255	(WP IRA-3a Cust Count Ln. 29 Col. P)
11	Increase Per Bill Per Month			See Below	
12	(to be applied to monthly customer charge or initial block rate, check one)				
13	<input checked="" type="checkbox"/> Monthly Customer Charge				
14	<input type="checkbox"/> Initial Block Rate				
15					

Current and Proposed Bill Information - With Gas Cost and Riders					
		Current	Proposed	Difference	% Change
16					
17					
18					
19	Residential Customers (R-2080):				
20	Average Monthly Bill* @ 35 Ccf (3.5 Mcf)	\$32.77	\$33.33	\$0.56	1.71%
21					
22	Commercial Customers (GSS-2080):				
23	Current Average Monthly Bill* @ 170 Ccf (17.0 Mcf)	\$103.73	\$104.56	\$0.83	0.80%
24					
25	General Service-Large Volume Customers (GSLV-611):				
26	Current Average Monthly Bill* @ 3,533 Ccf (353.3 Mcf)	\$2,101.90	\$2,127.69	\$25.79	1.23%
27					
28	* Average Use per month per GUD 9902 - Exh. HD-3. PGA and Riders = March 2016				

Current and Proposed Bill Information - Without Gas Cost and Riders					
		Current	Proposed	Difference	% Change
29					
30					
31					
32	Residential Customers (R-2080):				
33	Average Monthly Bill* @ 35 Ccf (3.5 Mcf)	\$16.37	\$16.93	\$0.56	3.42%
34					
35	Commercial Customers (GSS-2080):				
36	Current Average Monthly Bill* @ 170 Ccf (17.0 Mcf)	\$24.09	\$24.92	\$0.83	3.45%
37					
38	General Service-Large Volume Customers (GSLV-611):				
39	Current Average Monthly Bill* @ 3,533 Ccf (353.3 Mcf)	\$446.73	\$472.52	\$25.79	5.77%
40					
41	* Average Use per month per GUD 9902 - Exh. HD-3.				

** The calendar 2014 Houston GRIP rate adjustment was suspended.
Net Investment represents year ended 12/31/2014.
Amounts shown are Standard Sales Service

Investment Detail - Current
CENTERPOINT ENERGY - HOUSTON DIVISION
As of December 31, 2015

Line No.	NARUC Account No.	Note: IRA-11	FERC Account No.	F.E.R.C. Account Titles (1)	Original Cost	RRC Approved Depreciation Rate Per 9902	Annual Depreciation	Accumulated Depreciation	Net Plant	Standard Allocation per 9902	Standard Amount
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
1		(1)		1. INTANGIBLE PLANT							
2	302		302-6010	Intangible Plant - Franchisees & Consents	\$ 4,913	0.000%	\$ -	\$ -	\$ 4,913		
3	303		303-6035	Intangible Plant - Software	49,885	10.000%	4,989	29,569	20,316		
4	303		303-6035	Intangible Plant - Software	22,706,066	20.000%	4,541,213	5,570,185	17,135,881		
5	303		303-6035	Intangible Plant - Software	53,513	0.000%	-	53,513	0		
6	303		303-6035	Intangible Plant - Software	-	0.000%	-	-	-		
7	303		303-6050	Intangible Plant - Software	938,181	20.000%	187,636	480,945	457,236		
8	303		303-6050	Intangible Plant - Software	12,183	0.000%	-	12,183	(0)		
9	303		303-6060	Intangible Plant - Software	-	0.000%	-	-	-		
10	303		303-6060	Intangible Plant - Software	-	0.000%	-	-	-		
11	303		303-6060	Intangible Plant - Software	2,112,002	10.000%	211,200	351,246	1,760,756		
12											
13					\$ 25,876,743		\$ 4,945,038	\$ 6,497,641	\$ 19,379,102		
14											
15		(1)		5. DISTRIBUTION PLANT							
16	374		374-6840	Dist. - Land	\$ 4,231,193	0.000%	\$ -	\$ (271)	\$ 4,231,464		
17	374		374-6880	Dist. - Land Rights	891,672	1.690%	15,069	334,008	557,664		
18	375		375-6900	Dist. - Struct.-City Gate/ML Ind. Meas/Reg Stat Eq	909,498	2.590%	23,556	537,268	372,230		
19	376		376-6940	Dist. - Mains	3,282,178	0.000%	-	4,441,197	(1,159,019)		
20	376	(5)	376-6951	Dist. - Mains	246,702,566	3.170%	7,820,471	136,494,673	110,207,893		
21	376		376-6952	Dist. - Mains	232,587,157	2.950%	6,861,321	95,545,536	137,041,621		
22	378		378-6980	Dist. - Measuring & Regulating Stat Eq - General	6,211,198	4.480%	277,019	2,904,464	3,306,734		
23	378		378-7000	Dist. - Measuring & Regulating Stat Eq - General	2,198,415	7.250%	159,385	247,688	1,950,727		
24	379		379-7010	Dist. - Measuring & Regulating Stat Eq - General	15,629,585	2.960%	462,636	5,060,173	10,569,412		
25	380		380-7022	Dist. - Services	28,077,708	3.460%	971,489	26,658,914	1,418,794		
26	380		380-7023	Dist. - Services	308,467,720	3.490%	10,765,523	161,874,778	146,592,942		
27	381		381-7050	Dist. - Meters	64,365,717	2.550%	1,647,762	16,188,732	48,176,985		
28	381		381-7075	Dist. - Meters	-	5.650%	-	-	-		
29	382		382-7080	Dist. - Meter Installations	75,238,010	3.570%	2,696,033	24,450,329	50,788,681		
30	382		382-7090	Dist. - Meter Installations	24,346,765	4.710%	1,146,733	20,177,184	4,169,581		
31	383		383-7120	Dist. - Regulators	26,495,664	4.780%	1,266,493	8,005,551	18,490,113		
32	383		383-7120	Dist. - Regulators	-	3.370%	-	-	-		
33	383		383-7130	Dist. - Regulators	-	1.520%	-	-	-		
34	383		383-7130	Dist. - Regulators	20,652	3.370%	696	10,513	10,139		
35	385		385-7150	Dist. - Industrial Meas/Reg Station Equipment	11,641,750	3.820%	444,715	1,424,652	10,217,098		
36	386		386-7157	Dist. - Other Property on Customer Premises	-	2.330%	-	(2,927)	2,927		
37	387		387-7160	Dist. - Other Equipment	2,161,584	4.420%	95,542	2,058,249	103,335		
38											
39				Subtotal	\$ 1,053,460,032		\$ 34,644,443	\$ 506,410,711	\$ 547,049,321		
40											
41		(1)		6. GENERAL PLANT							
42	389		389-7180	Gen. - Land	\$ 28,207	0.000%	\$ -	\$ -	\$ 28,207		
43	390		390-7200	Gen. - Structures & Improvements	19,291,345	2.570%	495,788	1,355,861	17,935,484		
44	390		390-7225	Gen. - Struct. & Imprv. - Leasehold Improvements	1,053,157.00	0.000%	-	1,053,157	0		
45	390		390-7225	Gen. - Struct. & Imprv. - Leasehold Improvements	98,775.00	0.100%	99	(2,262,849)	2,361,624		
46	391		391-7230	Gen. - Office Furniture/Equipment	163,007	5.000%	8,150	(7,638)	170,645		
47	391		391-7232	Gen. - Office Furniture/Equipment	2,580,607	5.000%	129,030	820,324	1,760,283		
48	391		391-7260	Gen. - Computer Hardware	12,956,061	14.290%	1,851,421	4,638,002	8,318,059		
49	392		392-7300	Gen. - Transportation Equipment	833,787	12.500%	104,223	265,214	568,573		
50	392		392-7320	Gen. - Transportation Equipment	17,174,260	12.500%	2,146,783	10,346,868	6,827,392		
51	392		392-7340	Gen. - Transportation Equipment	805,247	12.500%	100,656	533,047	272,200		
52	393		393-7355	Gen. - Stores Equipment	-	6.670%	-	(2,307)	2,307		
53	394		394-7362	Gen. - Tools, Shop, & Garage Equipment	3,923,828	8.330%	326,855	(564,784)	4,488,612		
54	394		394-7364	Gen. - Tools, Shop, & Garage Equipment	1,148	8.330%	96	821	327		
55	394		394-7366	Gen. - Tools, Shop, & Garage Equipment	3,116	8.330%	260	(23,104)	26,220		
56	395		395-7370	Gen. - Laboratory Equipment	85,221	5.000%	4,261	30,846	54,375		
57	396		396-7380	Gen. - Power Operated Equipment	2,207,662	12.500%	275,958	1,079,956	1,127,706		
58	397		397-7390	Gen. - Communication Equipment - Telecom	5,109,663	5.000%	255,483	3,082,664	2,026,999		
59	397		397-7420	Gen. - Communication Equipment - Meter Rd/ERTS	75,587,832	5.650%	4,270,713	12,076,738	63,511,094		
60	398		398-7450	Gen. - Miscellaneous Equipment	709,145	6.670%	47,300	(143,723)	852,868		
61											
62				Subtotal	\$ 142,612,068		\$ 10,017,076	\$ 32,279,093	\$ 110,332,975		
63											
64				TOTAL	\$ 1,221,948,843		\$ 49,606,557	\$ 545,187,445	\$ 676,761,397		
65		(2)		Retirement Work in Progress	-		-	(2,235,950)	2,235,950		
66				Adjusted Total	\$ 1,221,948,843		\$ 49,606,557	\$ 542,951,495	\$ 678,997,347	98.7%	\$ 670,164,231
67											
68											
69											
70				Less all travel, meals, business entertainment	\$ 3,489		-	-	3,489	98.7%	3,443
					\$ 1,221,945,354		\$ 49,606,557	\$ 542,951,495	\$ 678,993,859	98.7%	\$ 670,160,788

ALLOCATION OF INVESTMENT RECOVERY
CENTERPOINT ENERGY - HOUSTON DIVISION

Allocation Factors Per Rate Case - GUD No. 9902		
R-2080	0.855216	GUD No. 9902 Base Rate revenue allocator for residential service (See Exh. HD-1)
GSS-2080	0.059225	GUD No. 9902 Base Rate revenue allocator for general service-small service (See Exh. HD-1)
GSLV-611	0.085559	GUD No. 9902 Base Rate revenue allocator for general service-large service (See Exh. HD-1)
Total System:		<u>1.000000</u>

Allocation Factors Requested in this filing		
R-2080	0.855216	GUD No. 9902 Base Rate revenue allocator for residential service (See Exh. HD-1)
GSS-2080	0.059225	GUD No. 9902 Base Rate revenue allocator for general service-small service (See Exh. HD-1)
GSLV-611	0.085559	GUD No. 9902 Base Rate revenue allocator for general service-large service (See Exh. HD-1)
Total System:		<u>1.000000</u>

New Investment Recovery Distribution				
Requested Recovery Amount		\$ 7,672,688 (IRA-3, Ln. 8, Col. d)	Customer Bills	Customer Charge
R-2080	0.855216	6,561,806	11,695,980	\$ 0.56
GSS-2080	0.059225	454,415	549,816	\$ 0.83
GSLV-611	0.085559	656,468	25,459	\$ 25.79
Total System		<u>\$ 7,672,688</u>	<u>12,271,255</u>	(WP IRA-3a Cust Count, Ln. 29, Col.p)