

**GAS UTILITIES DOCKET NO. 10760**

**PETITION FOR REVIEW OF  
MUNICIPAL RATE ACTION OF THE  
CITY OF HOUSTON REGARDING  
CENTERPOINT ENERGY  
RESOURCES CORP., D/B/A  
CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY  
TEXAS GAS' 2017 INTERIM RATE  
ADJUSTMENT**

§  
§  
§  
§  
§  
§  
§  
§  
§

**BEFORE THE  
RAILROAD COMMISSION  
OF TEXAS**

**FINAL ORDER**

Notice of Open Meeting to consider this Order was duly posted with the Secretary of State within the time period provided by law pursuant to TEX. GOV'T CODE Chapter 551. The Railroad Commission of Texas adopts the following findings of fact and conclusions of law and orders as follows:

**FINDINGS OF FACT**

**Background**

1. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company") is a "gas utility," as that term is defined in the Texas Utilities Code and is subject to the jurisdiction of the Railroad Commission of Texas ("Commission").
2. CenterPoint owns and operates a natural gas distribution system in its Houston Division, which includes the City of Houston.
3. On March 29, 2018, CenterPoint filed an application with the Commission for an annual interim rate adjustment ("IRA") for October 1, 2016 through December 31, 2017 to adjust its rates for the unincorporated gas service customers located in the Houston Division and for the cities in the Houston Division that have ceded original jurisdiction to the Commission. CenterPoint's 2017 IRA was docketed at the Commission as Gas Utilities Docket ("GUD") No. 10715.
4. On March 29, 2018, CenterPoint also filed with the City of Houston a request to implement CenterPoint's 2017 IRA for the incorporated gas service customers located within the City of Houston.
5. The 2017 IRA applications filed with the Commission and the City of Houston were identical in all material respects.
6. CenterPoint requested that the 2017 IRA for all customer classes in the unincorporated areas of its Houston Division become effective on May 28, 2018.

7. On April 3, 2018, the Commission suspended implementation of CenterPoint's proposed 2017 IRA for customers in the unincorporated areas and cities in the Houston Division that have ceded original jurisdiction to the Commission until July 12, 2018.
8. The City of Houston also acted to suspend the effective date of the 2017 IRA for an additional forty-five (45) days after the Company's proposed effective date of May 28, 2018.
9. Following the suspension period, CenterPoint and Commission Staff engaged in discovery regarding CenterPoint's proposed 2017 IRA application.
10. As a result of Commission Staff's review of the proposed 2017 IRA application in GUD No. 10715 and CenterPoint's discovery responses, on June 1, 2018, CenterPoint submitted revised schedules decreasing the incremental change in revenue requirement to be recovered from \$9,375,795 to \$9,077,346.
11. In accordance with the Commission's Accounting Order issued in GUD No. 10695 requiring gas utilities to account for the change in the corporate federal income tax rate from 35% to 21%, the June 1, 2018 revised schedules also reflected a corporate federal income tax rate of 21%. As a result, CenterPoint's revised schedules complied with the Commission's Accounting Order issued in GUD No. 10695.
12. On June 19, 2018, the Commission found that CenterPoint's revised 2017 IRA complied with TEX. UTIL. CODE § 104.301 and the Commission's Accounting Order in GUD No. 10695 and issued an Interim Rate Adjustment Order in GUD No. 10715, which resulted in the approval of the customer charges below (Exhibit B):

Customer Class	Customer Charge (GUD 10567)	IRA – 2017 (GUD 10715)	New Customer Charge
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Residential	\$ 15.75	\$ 0.68	\$ 16.43
General Service – Small	\$ 18.25	\$ 1.01	\$ 19.26
General Service - Large	\$ 180.00	\$ 14.58	\$ 194.58

13. On June 27, 2018, the City of Houston acted to approve CenterPoint's originally requested 2017 IRA with an incremental change in revenue requirement of \$9,375,795 and accompanying tariffs through the issuance of Ordinance No. 2018-519. The IRA tariffs in the Houston Division that were approved by the City of Houston were implemented the next day.
14. On July 25, 2018, CenterPoint timely filed with the Commission a *Petition for Review of Municipal Rate Action of the City of Houston* ("Petition for Review") regarding the City of Houston's approval of CenterPoint's filed 2017 IRA with the City of Houston. The Petition for Review was docketed at the Commission as GUD No. 10760.

15. In its *Petition for Review*, CenterPoint requests the Commission reduce the 2017 IRA rates approved by the City of Houston in Ordinance No. 2018-519 to the same rates approved by the Commission in GUD No. 10715.
16. CenterPoint attached the following supporting documentation to its *Petition for Review*: (1) an electronic copy of CenterPoint's 2017 IRA application filed with the City of Houston; (2) an electronic copy of the Revised IRA schedules that were approved by the Commission in GUD No. 10715; (3) the tariffs CenterPoint requests the Commission approve in this appeal, which reflect identical rates to the tariffs approved by the Commission in GUD No. 10715 (Exhibit A); (4) City of Houston Ordinance No. 2018-519; and (5) a consent form signed by the City of Houston consenting to the reduction in IRA rates as approved in this Order.

#### Notice

17. CenterPoint provided the City of Houston notice of this *Petition for Review* via Federal Express on July 25, 2018.
18. The City of Houston has expressly consented in writing to the reduction in CenterPoint's 2017 IRA rates approved by Ordinance No. 2018-519 in the Houston Division (Exhibit C).
19. As of the date of this Order, no protests or motions to intervene concerning this appeal have been received by the Commission.

#### Applicability

20. This docket applies to only those rates over which the Commission has appellate jurisdiction, which includes the rates charged within the incorporated areas of the City of Houston.

---

#### Most Recent Comprehensive Rate Case

21. CenterPoint's most recent rate case for the area in which the 2017 IRA will be implemented is GUD No. 10567, *Statement of Intent of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas to Increase Rates in the Houston Division and Texas Coast Division*.
22. GUD No. 10567 was filed on November 16, 2016.
23. The Commission signed the GUD No. 10567 Final Order on May 23, 2017.
24. This docket represents an appeal of the first annual IRA that CenterPoint has filed with the City of Houston since GUD No. 10567.
25. The following chart shows the factors that were established in GUD No. 10567 to calculate the return on investment, depreciation expense, and incremental federal income tax for CenterPoint's Houston Division:

**GUD No. 10567 CALCULATION FACTORS**

<b>Factor</b>	<b>Percentage</b>
Rate of return	8.0237%
Depreciation Rate	Varies
Federal Income Tax Rate	35%

**Review of Appeal**

26. CenterPoint requests in this appeal that the 2017 IRA for all customer classes in the City of Houston in the Houston Division become effective on September 23, 2018, pending the outcome of this appeal.
27. CenterPoint requests in this appeal identical rates as were approved by the Commission in GUD No. 10715, which were already reviewed by the Commission in GUD No. 10715 for compliance with TEX. UTIL. CODE § 104.301, 16 TEX. ADMIN. CODE § 7.7101, other applicable statutes and rules, and the Commission's Accounting Order in GUD No. 10695 requiring the use of a 21% federal corporate income tax rate.
28. CenterPoint's allocation methodology, identical to what was approved by the Commission in GUD No. 10715, complies with TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
29. 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 2017 IRA are reasonable:

<b>Customer Class</b>	<b>Allocation Factors</b>
Residential	90.1796%
General Service – Small	6.5762%
General Service – Large	3.2442%

30. CenterPoint's customer counts comply with TEX. UTIL. CODE § 104.301 and 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 CenterPoint's 2017 actual number of customer charges. The following total number of customer charges for use in the calculation of the 2017 IRA are reasonable:

Customer Class	Annual Number of Customer Charges
Residential	12,033,537
General Service – Small	588,555
General Service - Large	20,202
Total	12,642,294

31. When the customer charge as established in GUD No. 10567 (Column B) and the 2017 IRA surcharge as filed by CenterPoint in this appeal and approved by the Commission in GUD No. 10715 adjusted for the 21% FIT rate (Column C) are added, the resulting customer charges for affected customer classes are as shown in Column D of the table below.

**Houston Division Customer Charges and Interim Rate Adjustment**

Customer Class	Customer Charge (GUD 10567)	IRA – 2017 (GUD 10715)	New Customer Charge
A	B	C	D
Residential	\$ 15.75	\$ 0.68	\$ 16.43
General Service – Small	\$ 18.25	\$ 1.01	\$ 19.26
General Service - Large	\$ 180.00	\$ 14.58	\$ 194.58

32. It is reasonable that the Commission approve CenterPoint's appeal using the amounts of IRA revenue and additional customer charges by customer class using a 21% Federal Income Tax rate and as approved by the Commission in GUD No. 10715:

Customer Class	Interim Rate Adjustment Revenue	IRA Revenue from RRC Jurisdiction	IRA Revenue from all Other Cities	Additional Customer Charge
Residential	\$ 8,185,914	\$ 4,248,259	\$3,937,655	\$ 0.68
General Service – Small	\$ 596,944	\$ 240,024	\$356,920	\$ 1.01
General Service – Large	\$ 294,487	\$ 81,531	\$212,956	\$ 14.58
Total	\$ 9,077,346	\$ 4,569,814	\$4,507,532	

33. Based on Commission Staff's previous review of GUD No. 10715 and the Commission's issuance of an Interim Rate Adjustment Order in GUD No. 10715, it is reasonable that the Commission approve CenterPoint's appeal and order CenterPoint to institute the same 2017 IRA rates in the incorporated areas of the Houston Division as were approved by the Commission in GUD No. 10715 in the unincorporated areas of the Houston Division and

in the cities in the Houston Division that have ceded original jurisdiction to the Commission.

### 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 Commission.
2. The Commission has jurisdiction over CenterPoint’s appeal from the City of Houston’s decision regarding CenterPoint’s 2017 IRA for incremental changes in investment under TEX. UTIL. CODE §§ 102.001, 103.051, 104.001, 104.002, 104.111 and 104.301.
3. Under TEX. UTIL. CODE § 102.001(b), the Commission has exclusive appellate jurisdiction to review an order or ordinance of a municipality regarding the rates and services of a gas utility that distributes natural gas in areas inside a municipality.
4. CenterPoint’s appeal for review of the 2017 IRA approved by the City of Houston was processed in accordance with the requirements of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE §§ 7.205, 7.7101.
5. In accordance with 16 TEX. ADMIN. CODE § 7.315, within thirty (30) days of the effective date of any change to rates or services, CenterPoint is required to file with the Commission its revised incorporated tariffs.
6. In accordance with 16 TEX. ADMIN. CODE § 7.7101(i), all amounts collected from customers under CenterPoint’s IRA tariffs or rate schedules are subject to refund. The issues of refund amounts, if any, and whether interest should be included on refunded amounts and, if so, the rate of interest, shall be addressed in the rate case CenterPoint files or the Commission initiates after the implementation of an IRA and shall be the subjects of specific findings of fact in the Commission’s final order setting rates.

**IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT** CenterPoint’s 2017 IRA as requested, and to the extent recommended to be approved in the findings of fact and conclusions of law, is **HEREBY APPROVED** to be effective for bills rendered on or after the date of this Order for customers within the municipal boundaries of Houston, Texas.

**IT IS FURTHER ORDERED THAT** within 30 days of this order, in accordance with 16 TEX. ADMIN. CODE § 7.315, CenterPoint **SHALL** electronically file its incorporated IRA tariffs for the City of Houston with the Commission 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** any incremental change in rates approved by this Order and implemented by CenterPoint shall be subject to refund unless and until CenterPoint’s IRA tariffs are electronically filed and accepted by the Gas Services Department in accordance with 16 TEX. ADMIN. CODE § 7.315.

Any portion of CenterPoint'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 21<sup>st</sup> day of August.

RAILROAD COMMISSION OF TEXAS

*Christi Craddick*

CHRISTI CRADDICK  
CHAIRMAN

*Ryan Sitton*

RYAN SITTON  
COMMISSIONER

*Wayne Christian*

WAYNE CHRISTIAN  
COMMISSIONER

ATTEST

SECRETARY

*Kathy Way*



**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION - INCORPORATED  
RATE SHEET  
RESIDENTIAL SERVICE  
RATE SCHEDULE NO. R-2095A-I-GRIP 2018**

**APPLICATION OF SCHEDULE**

This schedule is applicable to any customer in an incorporated area excluding a city that has ceded jurisdiction to the Commission in the Houston Division 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 – \$16.43;\*
- (2) Commodity Charge –  
All Ccf \$0.07431 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 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.
- (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.

*Customer Charge	\$15.75
2018 GRIP Charge	0.68
Total Customer Charge	\$16.43

**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.



**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION - INCORPORATED  
RATE SHEET  
RESIDENTIAL SERVICE  
RATE SCHEDULE NO. R-2095A-I-GRIP 2018**

**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  
HOUSTON DIVISION - INCORPORATED  
RATE SHEET  
GENERAL SERVICE SMALL  
RATE SCHEDULE NO. GSS-2095A-I-GRIP 2018**

**APPLICATION OF SCHEDULE**

This schedule is applicable to natural gas service to any customer in an incorporated area excluding a city that has ceded jurisdiction to the Commission in the Houston Division 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 – \$19.26;\*
- (2) Commodity Charge –  
All Ccf                      \$0.05839 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 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.

(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.

*Customer Charge	\$18.25
2018 GRIP Charge	<u>1.01</u>
Total Customer Charge	\$19.26

**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.

---

**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION - INCORPORATED  
RATE SHEET  
GENERAL SERVICE SMALL  
RATE SCHEDULE NO. GSS-2095A-I-GRIP 2018**

**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  
HOUSTON DIVISION - INCORPORATED  
RATE SHEET  
GENERAL SERVICE LARGE VOLUME  
RATE SCHEDULE NO. GSLV-626A-I-GRIP 2018**

**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 in an incorporated area excluding a city that has ceded jurisdiction to the Commission in the Houston Division 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 – \$194.58;\*

(2) Commodity Charge –

For customers billed at a 14.65 Pressure Base:

All Ccf \$0.08296 per Ccf

For customers billed at a 14.95 Pressure Base;

All Ccf \$0.08466 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 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.

(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.

*Customer Charge	\$180.00
2018 GRIP Charge	<u>14.58</u>
Total Customer Charge	\$194.58

**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION - INCORPORATED  
RATE SHEET  
GENERAL SERVICE LARGE VOLUME  
RATE SCHEDULE NO. GSLV-626A-I-GRIP 2018**

**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.

**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 or 14.95 pounds per square inch, as applicable, 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

**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION - INCORPORATED  
RATE SHEET  
GENERAL SERVICE LARGE VOLUME  
RATE SCHEDULE NO. GSLV-626A-I-GRIP 2018**

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.

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,

---

**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION - INCORPORATED  
RATE SHEET  
GENERAL SERVICE LARGE VOLUME  
RATE SCHEDULE NO. GSLV-626A-I-GRIP 2018**

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.

---

**SUMMARY**  
**CENTERPOINT ENERGY - HOUSTON DIVISION**  
Period Ending December 31, 2017

Line No.	Description	Prior Year**	Reference	12/31/2017 Current Year	Reference
	(a)	(b)	(c)	(d)	(e)
1	Net Investment	\$ 690,807,079	(IRA-7, Ln. 95, Col. k)	\$ 736,632,715	(IRA-8, Ln. 95, Col. k)
2	Increase in Net Investment			\$ 45,825,636	((Ln. 1, Col. d) minus (Ln. 1, Col. b)) Agrees to IRA-9 Ln. 94, Col. k
3	Authorized Return on Capital			8.0237%	(IRA-15, Ln. 8, Col. c)
4					
5	Change in Return on Net Investment			\$ 3,676,912	(Ln. 2, Col. d) times (Ln. 3, Col. d)
6	Change in Depreciation Expense			\$ 3,916,747	(IRA-10, Ln. 93, Col. k) plus (IRA-13, Ln. 83, Col. K, plus (IRA-10a, Ln. 93, Col. k)
7	Change in Federal, Revenue, and Other Taxes			\$ 1,483,687	(IRA-5, Ln. 3, Col. g) plus (IRA-6, Ln. 22, Col. c) plus (IRA-6, Ln. 26, Col. c)
8	Change in Revenue Requirement			\$ 9,077,346	(Sum Ln. 5 thru 7, Col. d)
9					
10	Annual Number of Bills			12,642,294	(WP IRA-3a Cust Count Ln. 19 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					

16 Current and Proposed Bill Information - With Gas Cost @ 14.95 Pressure Base					
		Current	Proposed	Difference	% Change
17					
18					
19	Residential Customers (R-2095)				
20	Average Monthly Bill* @ 34 Ccf (3.4 Mcf)	\$37.61	\$38.29	\$0.68	1.81%
21					
22	Commercial Customers (GSS-2095)				
23	Current Average Monthly Bill* @ 167 Ccf (16.7 Mcf)	\$122.44	\$123.45	\$1.01	0.82%
24					
25	General Service-Large Volume Customers (GSLV-626)				
26	Current Average Monthly Bill* @ 2,064 Ccf (206.4 Mcf)	\$1,520.45	\$1,535.03	\$14.58	0.96%
27					
28	* Average Use per month per GUD 10567				

29 Current and Proposed Bill Information - Without Gas Cost @ 14.95 Pressure Base					
		Current	Proposed	Difference	% Change
30					
31					
32	Residential Customers (R-2095)				
33	Average Monthly Bill* @ 34 Ccf (3.4 Mcf)	\$18.41	\$19.09	\$0.68	3.69%
34					
35	Commercial Customers (GSS-2095)				
36	Current Average Monthly Bill* @ 167 Ccf (16.7 Mcf)	\$28.13	\$29.14	\$1.01	3.59%
37					
38	General Service-Large Volume Customers (GSLV-626)				
39	Current Average Monthly Bill* @ 2,064 Ccf (206.4 Mcf)	\$354.87	\$369.45	\$14.58	4.11%
40					
41	* Average Use per month per GUD 10567				

\*\* Amounts per order GUD No. 10567 issued May 23, 2017  
Net Investment represents year ended 9/30/2016  
Amounts shown are Standard Sales Service



**Consent Form**

GUD 10760  
Exhibit C

A. Consenting Party has been made aware of a voluntary rate reduction in the approximate amount of \$300,000 by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint Texas" or the "Company") in the Company's 2017 Gas Reliability Infrastructure Program ("GRIP") Interim Adjustment rate. This reduction is agreed to consistent with the Company's appeal of City of Houston Ordinance No. 2018-519 and results in the following 2017 IRA rates for City of Houston customers:

Customer Class	Customer Charge (GUD 10567)	IRA – 2017	New Customer Charge
A	B	C	D
Residential	\$ 15.75	\$ 0.68	\$ 16.43
General Service – Small	\$ 18.25	\$ 1.01	\$ 19.26
General Service – Large	\$ 180.00	\$ 14.58	\$ 194.58

- B. Consenting Party hereby does not object to and agrees with an appeal of the City of Houston Ordinance No. 2018-519 that would result in administrative approval of a rate reduction by the Railroad Commission pursuant to Section 104.111 of the Texas Utilities Code.
- C. Further, Consenting Party and the Company agree that: (a) by consenting to this form, Consenting Party is under no obligation to take the same positions with regard to the methodology resulting in a reduction in rates as the methodology underlying the reduction noted above, in future proceedings or in other jurisdictions; (b) the Consenting Party's consent shall not be used against Consenting Party in any future proceeding with respect to different positions unrelated to the reduction in rates that is the subject of this Consent Form that Consenting Party may take; and (c) the voluntary rate reduction is subject to review for reasonableness and accuracy in CenterPoint Texas's next statement of intent proceeding.

City of Houston  
**Consenting Party**

By: 

**Representative – Tina Paez, Director**  
**City of Houston Department of Administration & Regulatory Affairs**

July 11, 2018  
**Date**