



6. Neither TEX. UTIL. CODE § 104.301 nor 16 TEX. ADMIN. CODE § 7.7101 provides the opportunity for parties to intervene in the Commission's review of an application for an annual IRA.
7. 16 TEX. ADMIN. CODE § 7.7101 allows written comments or a protest concerning the proposed IRA to be filed with Gas Services' Market Oversight Section.
8. As of the date of this order, 5 letters of protest from jurisdictional customers concerning this application have been received by the Commission. Two of the protest letters were from the same customer.
9. This docket represents the third annual IRA for the Houston Division customers subject to the Commission's jurisdiction following Gas Utilities Docket ("GUD") No. 10567.<sup>1</sup>
10. Until promulgation of TEX. UTIL. CODE § 104.301, 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.
11. 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 most recent rate case, GUD No. 10567, without the necessity of filing a statement of intent rate case and without review by the Commission of CenterPoint's comprehensive cost of service.

#### Applicability

12. This docket applies to only those rates over which the Commission has original jurisdiction, which includes the unincorporated areas of the Houston Division and the cities that have ceded original jurisdiction to the Commission.
13. In 2019, CenterPoint's average monthly customer count was 1,082,307 customers, of which, 1,030,937 were Residential customers, 49,778 were Commercial customers, and 1,593 were General Service – Large Volume customers.
14. In 2019 CenterPoint's average monthly customer count subject to this order was 561,746 customers, of which 540,651 were Residential customers, 20,628 were Commercial customers, and 467 were General Service – Large Volume customers.

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<sup>1</sup> *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.*

Most Recent Comprehensive Rate Case

15. CenterPoint’s most recent rate case for the area in which the IRA will be implemented is GUD No. 10567, *Statement of Intent Filed by 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.*
16. GUD No. 10567 was filed on November 16, 2016.
17. The Commission signed the GUD No. 10567 Final Order on May 23, 2017.
18. 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 as applied in this proceeding:

**GUD No. 10567 CALCULATION FACTORS**

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

Interim Rate Adjustment

19. The revenue amounts to be recovered through CenterPoint’s revised annual IRA are incremental to the revenue requirement established in CenterPoint’s most recent rate case for the area in which the IRA is to be implemented, GUD No. 10567.
20. Under 16 TEX. ADMIN. CODE § 7.7101(f)(3), for the first IRA following the most recent rate case, a utility may adjust its rates based on the difference between invested capital at the end of the most recent rate case test-year and the invested capital at the end of the calendar year following the end of the most recent rate case test-year.
21. In GUD No. 10715, the first IRA, CenterPoint adjusted its rates based on the difference between invested capital from test year end June 30, 2016, updated for known and measurable changes through September 30, 2016, through calendar year end December 31, 2017.
22. In GUD No. 10835, the second IRA, CenterPoint adjusted its rates based on the difference between invested capital from calendar year end December 31, 2017, through calendar year end December 31, 2018.

23. In this docket, the third IRA, CenterPoint adjusted its rates based on the difference between invested capital from calendar year end December 31, 2018, through calendar year end December 31, 2019.
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; revenue related 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 **\$13,618,177** (Exhibit B) of which **\$6,923,752** is recoverable from 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 CenterPoint's IRAs.
26. CenterPoint's incremental adjusted net utility plant investment increase is **\$99,778,280** (Exhibit B) for the Houston Division.
27. CenterPoint is required to use the same factors to calculate the interim return on investment, depreciation expense, and incremental federal income tax as those established or used in the final order setting rates in CenterPoint's most recent rate case for the Houston Division in which the IRA is to be implemented, GUD No. 10567.
28. CenterPoint filed the Commission's annual Earnings Monitoring Report ("EMR") as required by 16 TEX. ADMIN. CODE § 7.7101. CenterPoint's actual rate of return was 7.86% for the calendar year ending December 31, 2019, which is less than the 8.0237% allowed rate of return established in GUD No. 10567.
29. GUD No. 10567, CenterPoint's most recent Statement of Intent rate case for the Houston Division and the basis for the key factors in an IRA calculation, was approved by the Commission on May 23, 2017. Customer charges are shown in Column B of the table below.
30. The first IRA for the Houston Division, GUD No. 10715, was approved by the Commission on June 19, 2018. Customer charges are shown in Column C of the table below.
31. The second IRA for the Houston Division, GUD No. 10835, was approved by the Commission on June 18, 2019. Customer charges are shown in Column D of the table below.
32. This docket, GUD No. 10948, is the third IRA for the Houston Division areas subject to the Commission's jurisdiction. The proposed IRA adjustments to the customer charges are shown in Column E of the table below.

33. When the Customer Charge as established in GUD No. 10567 (Column B) and the Interim Rate Adjustments (Columns C, D and E) are added, the resulting customer charge for affected customer classes are as shown in Column F of the table below.

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

Customer Class	Customer Charge GUD No. 10567	2017 IRA GUD No. 10715	2018 IRA GUD No. 10835	2019 IRA GUD No. 10948	New Customer Charge
A	B	C	D	E	F
Residential	\$ 15.75	\$ 0.73	\$ 0.62	\$ 0.99	\$ 18.09
General Service – Small	\$ 18.25	\$ 1.09	\$ 0.92	\$ 1.50	\$ 21.76
General Service – Large Volume	\$180.00	\$15.65	\$15.68	\$23.11	\$234.44

34. CenterPoint filed its Annual Project Report as required by 16 TEX. ADMIN. CODE § 7101(d).
- Net capital investment included in this docket totaled \$99,778,280.<sup>2</sup>
  - Gross capital project additions totaled \$151,965,270.<sup>3</sup>
  - Safety-related improvements/infrastructure projects were 43.49% of total additions.<sup>4</sup>
  - Distribution Integrity Management projects were 34.17% of total additions.<sup>5</sup>
  - Steel Pipe Replacement projects were 8.44% of total additions.<sup>6</sup>
35. CenterPoint proposes the IRA 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).
36. CenterPoint is required to show its annual IRA on its customers’ monthly billing statements as a surcharge.
37. The proposed IRA does not require an evidentiary proceeding; rather, TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101 require the regulatory authority to review a utility’s method of calculating the IRA.
38. Due process protections are deferred until CenterPoint files its next full statement of intent rate case.

<sup>2</sup> Schedule IRA-5.

<sup>3</sup> Schedule IRA-16 , IRA -17, and IRA-18.

<sup>4</sup> Updated response to Staff’s RFI No. 1-2.

<sup>5</sup> Updated response to Staff’s RFI No. 1-4.

<sup>6</sup> Updated response to Staff’s RFI No. 1-6.

Notice

- 39. CenterPoint provided adequate notice to customers via bill insert in the Houston Division areas subject to the Commission’s jurisdiction starting on March 13, 2020 and ending on April 13, 2020, and as a result, adequate notice was completed within 45 days of the filing, fulfilling the requirements under TEX. UTIL. CODE § 104.301(a).

Comprehensive Rate Case Required

- 40. CenterPoint is not required to initiate a rate case supporting a statement of intent at the time it applies for an IRA.
- 41. Under 16 TEX. ADMIN. CODE § 7.7101(l), a gas utility that implements an IRA and does not file a rate case before the fifth anniversary of the date its initial IRA became effective is required to file a rate case no later than the 180th day after that anniversary.
- 42. CenterPoint is required to file a statement of intent rate case no later than December 16, 2023.
- 43. Under 16 TEX. ADMIN. CODE § 7.7101(j), any change in investment and related expenses and revenues that have been included in any IRA shall be fully subject to review for reasonableness and prudence in the next rate case. Per 16 TEX. ADMIN. CODE § 7.7101(i), all amounts collected from customers under an IRA tariff are subject to refund until the conclusion of the next rate case.

Review of Interim Rate Adjustment

- 44. CenterPoint’s proposed allocation methodology complies with TEX. UTIL. CODE § 104.301, and with 16 TEX. ADMIN. CODE § 7.7101.
- 45. It is reasonable for the Commission to approve use of the allocation methodology used to determine CenterPoint’s overall cost of services (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:

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

46. 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 CenterPoint’s 2019 actual number of customer charges. The following total number of customer charges for use in the calculation of the IRA are reasonable:

<b>Customer Class</b>	<b>Annual Number of Customer Charges</b>
Residential	12,371,239
General Service – Small	597,333
General Service – Large Volume	19,117
<b>Total</b>	<b>12,987,689</b>

47. It is reasonable for the Commission to approve CenterPoint’s application for an IRA. The following amounts of IRA revenue and additional customer charges by customer class are reasonable:

<b>Customer Class</b>	<b>Interim Rate Adjustment Revenue</b>	<b>IRA Revenue from RRC Jurisdiction</b>	<b>Additional Customer Charge</b>
Residential	\$12,280,818	\$6,422,937	\$ 0.99
General Service – Small	\$ 895,559	\$ 371,307	\$ 1.50
General Service – Large Volume	\$ 441,801	\$ 129,508	\$23.11
<b>Total Increase</b>	<b>\$13,618,177</b>	<b>\$6,923,752</b>	

*Voluntary Rate Reduction to Reflect the Tax Cuts and Jobs Act of 2017*

48. CenterPoint voluntarily requested a reduction to the change in revenue requirement based on implementation of the 21% Federal Corporate Income Tax rate as set in the Tax Cuts and Jobs Act of 2017 (“TCJA”).
49. As a result of the change, CenterPoint filed revised schedules and CenterPoint seeks approval from the Commission for a revised adjustment to its IRA 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, calculated using a 21% Federal Income Tax rate, to be recovered through this IRA filing from all rate classes using the approved component factors is **\$12,167,035** (Exhibit C), of which **\$6,221,579** is attributable to customers subject to this order.

50. GUD No. 10567, CenterPoint’s most recent rate case for the Houston Division and the basis for the key factors in an IRA calculation, was approved by the Commission on May 23, 2017. The customer charges established in GUD No. 10567 were reduced to reflect the 21% Federal Income Tax rate as set in the TCJA in GUD No. 10749. The revised customer charges are shown in Column B of the table below.
51. The first IRA for the Houston Division, GUD No. 10715, was approved by the Commission on June 19, 2018. The revised IRA was calculated using a 21% Federal Income Tax rate as set in the TCJA and is shown in Column C of the table below.
52. The second IRA for the Houston Division, GUD No. 10835, was approved by the Commission on June 18, 2019. The revised IRA was calculated using a 21% Federal Income Tax rate as set in the TCJA and is shown in Column D of the table below.
53. This docket, GUD No. 10948, is the third IRA for the Houston Division areas subject to the Commission’s jurisdiction. The revised IRA calculated using a 21% Federal Income Tax rate as set in the TCJA is shown in Column E of the table below.
54. When the customer charge as established in GUD No. 10567 (Column B) and the Interim Rate Adjustments (Columns C, D, and E) are added, the resulting customer charges for affected customer classes are as shown in Column F of the table below.

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

Customer Class	Customer Charge GUD No. 10567	2017 IRA GUD No. 10715	2018 IRA GUD No. 10835	2019 IRA GUD No. 10948	New Customer Charge
A	B	C	D	E	F
Residential	\$ 15.25	\$ 0.68	\$ 0.57	\$ 0.89	\$ 17.39
General Service – Small	\$ 17.67	\$ 1.01	\$ 0.85	\$ 1.34	\$ 20.87
General Service – Large Volume	\$174.32	\$14.58	\$14.51	\$20.65	\$224.06

55. It is reasonable for the Commission to approve CenterPoint’s revised application for an IRA calculated using a 21% Federal Income Tax rate as requested by CenterPoint in this docket. The following amounts of interim rate adjustment revenue and additional customer charges by customer class are reasonable:



<b>Customer Class</b>	<b>Interim Rate Adjustment Revenue</b>	<b>IRA Revenue from RRC Jurisdiction</b>	<b>Additional Customer Charge</b>
Residential	\$10,972,184	\$5,774,155	\$ 0.89
General Service – Small	\$ 800,129	\$ 331,701	\$ 1.34
General Service – Large Volume	\$ 394,723	\$ 115,723	\$20.65
<b>Total</b>	<b>\$12,167,035</b>	<b>\$6,221,579</b>	

Reimbursements of Expense

56. As provided for in the statute and the rule, a gas utility that implements an IRA is required to reimburse the Commission for the utility's proportionate share of the Commission's annual costs related to the administration of the IRA mechanism.
57. After the Commission has finally acted on CenterPoint's application for an IRA, the Director of the Oversight and Safety Division will estimate CenterPoint's proportionate share of the Commission's annual costs related to the processing of such applications.
58. In making the estimate of CenterPoint's proportionate share of the Commission's annual costs related to the processing of such applications, the Director will take into account the number of utilities the Commission reasonably expects to file for IRAs during the fiscal year, and the costs expected to be incurred in processing such applications.
59. 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'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 IRA tariff for environs customers.
5. CenterPoint filed its application for an IRA 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 IRA 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, CenterPoint is required to file with the Commission its revised tariffs.
8. 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 CenterPoint filed its initial interim rate adjustment.
9. CenterPoint 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.
10. CenterPoint shall include in all future annual IRA filings, relocation project reports that provide additional information about relocation project costs included in investment projects, in the same format as required in this docket.
11. 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 CenterPoint's earnings during the preceding calendar year.
12. CenterPoint is required, under 16 TEX. ADMIN. CODE § 7.7101(h), to recalculate its approved IRA annually and is required to file an application for an annual adjustment no later than 60 days prior to the one-year anniversary of the proposed implementation date of the previous IRA application.
13. 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.

14. 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 IRA, any change in investment and related expenses and revenues that have been included in any IRA shall be fully subject to review for reasonableness and prudence. Upon issuance of a final order setting rates in the rate case that CenterPoint files or the Commission initiates after the implementation of an IRA, any change in investment and related expenses and revenues that have been included in any IRA shall no longer be subject to review for reasonableness or prudence.
15. The Commission has authority to suspend the implementation of the IRA under TEX. UTIL. CODE § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(e).
16. CenterPoint provided adequate notice of its IRA in accordance with TEX. UTIL. CODE § 104.301(a) and 16 TEX. ADMIN. CODE § 7.7101(b).
17. CenterPoint’s application for an IRA complies with all provisions of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
18. CenterPoint’s IRA established in the findings of fact and conclusions of law complies with the provisions of TEX. UTIL. CODE § 104.301 and 16 TEX. ADMIN. CODE § 7.7101.
19. In accordance with TEX. UTIL. CODE § 104.301(h) and 16 TEX. ADMIN. CODE § 7.7101(l), CenterPoint shall file a comprehensive rate case for the areas in which the IRA is implemented, not later than the 180th day after the fifth anniversary of the date its initial interim rate adjustment became effective, or December 16, 2023.
20. The Commission has authority, under TEX. UTIL. CODE § 104.301(j) and 16 TEX. ADMIN. CODE § 7.7101(m), to recover from CenterPoint the proportionate share of the Commission’s annual costs related to the administration of the IRA mechanism.

**IT IS THEREFORE ORDERED BY THE RAILROAD COMMISSION OF TEXAS THAT** CenterPoint’s interim rate adjustments as recommended to be approved in the findings of fact and conclusions of law are **HEREBY APPROVED**, subject to refund, 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, in accordance with 16 TEX. ADMIN. CODE § 7.315, 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** CenterPoint **SHALL** file with the Commission no later than December 16, 2023, a statement of intent to change rates as required under TEX. UTIL. CODE § 104.301(h) and 16 TEX. ADMIN. CODE § 7.7101(l).

**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 interim rate adjustment tariffs are electronically filed and accepted by Gas Services in accordance with 16 TEX. ADMIN. CODE § 7.315.

**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 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 16<sup>th</sup> day of June 2020.

RAILROAD COMMISSION OF TEXAS

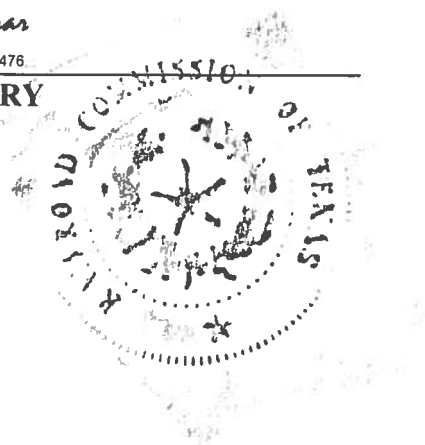
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COMMISSIONER

ATTEST

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*Callie Fannar*  
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SECRETARY



**CENTERPOINT ENERGY RESOURCES CORP.  
 D/B/A CENTERPOINT ENERGY ENTEX  
 AND CENTERPOINT ENERGY TEXAS GAS  
 HOUSTON DIVISION - UNINCORPORATED  
 RATE SHEET  
 GENERAL SERVICE LARGE VOLUME  
 RATE SCHEDULE NO. GSLV-626A-U-GRIP 2020**

**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 unincorporated area or 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. The cities that ceded jurisdiction to the Commission in the Houston Division include Bellaire, Cut and Shoot, Galena Park, Jacinto City, Montgomery, New Waverly, Panorama Village, Roman Forest, South Houston, Southside Place, West University Place, and Willis.

**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 – \$224.06<sup>1</sup>
  - (2) Commodity Charge –  
 All Ccf @ \$0.08199<sup>2</sup>
- (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.

**Notes:**

<sup>1</sup> Customer Charge	\$174.32 (GUD 10749)
2018 GRIP Charge	14.58 (GUD 10715)
2019 GRIP Charge	14.51 (GUD 10835)
2020 GRIP Charge	<u>20.65</u> (GUD 10948)
Total Customer Charge	\$224.06

<sup>2</sup> Commodity Charge of \$0.08199 (GUD 10749)

**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION - UNINCORPORATED  
RATE SHEET  
GENERAL SERVICE LARGE VOLUME  
RATE SCHEDULE NO. GSLV-626A-U-GRIP 2020**

- (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.

**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 gravimeter 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

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GENERAL SERVICE LARGE VOLUME  
RATE SCHEDULE NO. GSLV-626A-U-GRIP 2020**

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.

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**



**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION - UNINCORPORATED  
RATE SHEET  
GENERAL SERVICE LARGE VOLUME  
RATE SCHEDULE NO. GSLV-626A-U-GRIP 2020**

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.

**CENTERPOINT ENERGY RESOURCES CORP.  
 D/B/A CENTERPOINT ENERGY ENTEX  
 AND CENTERPOINT ENERGY TEXAS GAS  
 HOUSTON DIVISION - UNINCORPORATED  
 RATE SHEET**

**GENERAL SERVICE SMALL  
 RATE SCHEDULE NO. GSS-2095A-U-GRIP 2020**

**APPLICATION OF SCHEDULE**

This schedule is applicable to natural gas service to any customer in an unincorporated area or 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. The cities that have ceded jurisdiction to the Commission in the Houston Division include Bellaire, Cut and Shoot, Galena Park, Jacinto City, Montgomery, New Waverly, Panorama Village, Roman Forest, South Houston, Southside Place, West University Place and Willis.

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 – \$20.87<sup>1</sup>
  - (2) Commodity Charge –  
 All Ccf                      \$0.05654<sup>2</sup>
- (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.

Notes:

<sup>1</sup> Customer Charge	\$17.67 (GUD 10749)
2018 GRIP Charge	1.01 (GUD 10715)
2019 GRIP Charge	0.85 (GUD 10835)
2020 GRIP Charge	1.34 (GUD 10948)
Total Customer Charge	\$20.87

<sup>2</sup> Commodity Charge of \$0.05654 (GUD 10749)

**CENTERPOINT ENERGY RESOURCES CORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION - UNINCORPORATED  
RATE SHEET**

**GENERAL SERVICE SMALL  
RATE SCHEDULE NO. GSS-2095A-U-GRIP 2020**

- (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 COORP.  
 D/B/A CENTERPOINT ENERGY ENTEX  
 AND CENTERPOINT ENERGY TEXAS GAS  
 HOUSTON DIVISION - UNINCORPORATED  
 RATE SHEET  
 RESIDENTIAL SERVICE  
 RATE SCHEDULE NO. R-2095-U-GRIP 2020**

**APPLICATION OF SCHEDULE**

This schedule is applicable to any customer in an unincorporated area or 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. The cities that have ceded jurisdiction to the Commission in the Houston Division include Bellaire, Cut and Shoot, Galena Park, Jacinto City, Montgomery, New Waverly, Panorama Village, Roman Forest, South Houston, Southside Place, West University Place and Willis.

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 – \$17.39<sup>1</sup>
  - (2) Commodity Charge –  
 All Ccf \$0.07196<sup>2</sup>
- (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.

Notes:

<sup>1</sup> Customer Charge	\$15.25 (GUD 10749)
2018 GRIP Charge	0.68 (GUD 10715)
2019 GRIP Charge	0.57 (GUD 10835)
2020 GRIP Charge	<u>0.89 (GUD 10948)</u>
Total Customer Charge	\$17.39
<sup>2</sup> Commodity Charge of \$0.07196 (GUD 10749)	

**CENTERPOINT ENERGY RESOURCES COORP.  
D/B/A CENTERPOINT ENERGY ENTEX  
AND CENTERPOINT ENERGY TEXAS GAS  
HOUSTON DIVISION - UNINCORPORATED  
RATE SHEET  
RESIDENTIAL SERVICE  
RATE SCHEDULE NO. R-2095-U-GRIP 2020**

**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 d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas**  
**Interim Rate Adjustment Application - Houston Division**  
**12 Month Period Ending December 2019**  
**Interim Rate Adjustment Summary**

Line No.	Description	Per GUD No. 10835 As of 12/31/2018	Adjustments	Ref	As of 12/31/2019	Change in Investment
(a)	(b)	(c)	(d)	(e)	(f)	(g)
						= (f) - (c) + (d)
11	Direct Utility Plant Investment	\$ 1,385,858,475	\$ -		\$ 1,501,483,338	\$ 115,624,863
12	Direct Accumulated Depreciation	612,769,291	-		630,085,706	17,316,414
13	Allocated Utility Plant Investment (If applicable)	5,231,446	-		4,976,059	(255,387)
14	Allocated Accumulated Depreciation (If applicable)	3,597,646	-		3,736,150	138,504
15	Miscellaneous Adjustments	4,949,116	-		6,812,838	1,863,722
16	Net Utility Plant Investment (Ln 11 - 12 + 13 - 14 + 15)	<u>\$ 779,672,099</u>	<u>\$ -</u>		<u>\$ 879,450,379</u>	<u>\$ 99,778,280</u>
17						
18	Calculation of the Interim Rate Adjustment Amount:					
19	Rate of Return					8.0237%
20	Return					\$ 8,005,967
21	Depreciation Expense					1,597,314
22	Property-related Taxes (Ad Valorem)					1,068,351
23	Revenue-related Taxes and State Margin Tax					102,136
24	Federal Income Tax					2,844,510
25	Interim Rate Adjustment Amount (Sum of Ln 19 through Ln 24)					<u>\$ 13,618,177</u>
26						
27	Interim Rate Adjustment Amount per Rate Class:					
28	Residential		90.1798%			Total Service Area: RRC Jurisdiction:
29	Commercial		6.5762%			\$ 12,280,818 \$ 6,422,937
30	General Service-Large Volume		3.2442%			895,559 371,307
31						441,801 129,508
32	Total (Sum of Ln 28 through Ln 31)		100.0000%			<u>\$ 13,618,177 \$ 6,923,752</u>
33						
34	Monthly Customer Charge Adjustment:					
35	Residential			Annual RRC	Annual Service Area	Monthly Customer
36	Commercial			Jurisdiction Bill	Bill Count:	Charge Adjustment:
37	General Service-Large Volume			Count:		
38					12,371,239 6,487,815	\$ 0.99
39					597,333 247,538	\$ 1.50
40	- OR -				19,117 5,604	\$ 23.11
					12,987,689 6,740,957	
41	Monthly Initial Block Rate Adjustment:					
42	Residential			Annual RRC	Annual Service Area	Monthly Initial Block
43	Commercial			Jurisdiction	Volumes:	Rate Adjustment:
44	General Service-Large Volume			Volumes:		
45						

