
NO SURPRISE BILL[®] RIDER**Availability:**

Available to any eligible Residential Sales Service, or Small Volume Commercial and Industrial Sales Service (annual usage less than 5,000 therms) customer in the Northern Natural Rate Area system who elects to take service under this Rider for a period of one year. The service provided under this Rider may be offered at CenterPoint Energy's sole discretion. Special conditions are listed below.

Eligible customers are those that:

- 1) Have received a minimum of six actual meter readings at their current address, with at least one actual meter reading in a summer month and at least one actual meter reading in a winter month,
- 2) Have gas usage which is sensitive to weather variations.
- 3) Do not receive summary billing,
- 4) Meet CenterPoint Energy's definition of "low credit risk."
- 5) Request to take service under this rider for the current program year, consisting of not less than 12 months.

Rate:

A qualified customer accepting service under this rider shall pay an individually calculated fixed monthly charge for 12 consecutive billing periods – a program year. The No Surprise Bill amount shall be determined from rates based on the Monthly Basic Charge and delivery charge as approved by the Minnesota Public Utilities Commission in and in effect during the program year as well as a specific cost of gas component for the entire program year. For the 2005-06 program year, interim rates will be included in accordance with the third paragraph in the "rate" section. A specific charge for gas cost shall be included in lieu of the charges of the tariffed base cost of gas and Purchased Gas Adjustment Rider (PGA). A No Surprise Bill fee (4 percent) and carrying charge shall also be included. Applicable taxes and fees, with the exception of state sales taxes, shall also be included in the total amount due and will not be itemized separately on the bill.

In a program year, for each individual customer in which CenterPoint Energy anticipates such taxes or fees will change during the program year, the No Surprise Bill amount shall be determined reflecting such taxes or fees that may be in place during a program year. If actual taxes or fees are less than the anticipated taxes or fees included in the No Surprise Bill amount, CenterPoint Energy will refund or credit a No Surprise Bill customer bill, including interest at the average prime interest rate. Any interest will be applied through the date of the refund or credit. If actual taxes or fees are greater than the anticipated taxes or fees included in the No Surprise Bill amount, CenterPoint Energy will not attempt to collect the difference from the No Surprise Bill customers.

In the 2005-06 program year, CenterPoint Energy plans to have an active rate case and the No Surprise Bill amount shall be determined reflecting anticipated interim rates that CenterPoint Energy plans to have in place during that program year. In a program year for which the No Surprise Bill amount reflected interim rates, if final approved (either approved interim or approved final) rates are greater than the interim rates reflected in the No Surprise Bill amount CenterPoint Energy will not seek to recover the difference between the No Surprise Bill amount and the final approved rates.

A No Surprise Bill quote is calculated using normal weather usage, as measured by average, annual heating degree-days based on a qualified customer's total gas usage at the current address.

Customers providing CenterPoint Energy proof of installation of a more efficient heating system will receive a 10 percent discount in their No Surprise Bill amount for the remaining term of the program year. Qualifying heating systems will be those eligible for rebates as approved in CenterPoint Energy's approved Conservation Improvement Program.

Special Conditions:

- 1) All provisions of the rate schedule under which a customer currently takes service apply unless otherwise changed by this Rider.
- 2) Trackers: Trackers, i.e. Conservation Improvement Programs (CIP) and Environmental Cost Recovery Charge (ECRC), are included in the tariffed Delivery Charge. CenterPoint Energy will credit the tracker accounts for the weather-normalized sales of No Surprise Bill customers multiplied by the tracker recovery rate approved by the Commission.
- 3) True-Up Recovery factor: CenterPoint Energy will include, in the first year of every participant's bill, a true-up recovery factor in order to recover the costs associated with the over/under recovery of gas costs for prior true-up year when the customer was on regular rates. This factor will include an adjustment to reflect the fact that No Surprise Bill customers will have been billed a true-up factor for two months (September and October) prior to the start of the program.
- 4) Customer's shall lose qualification for, and be removed from this rider if they:
 - a) Move from their address during the current program year, or
 - b) Allow their bill to include a past due balance of greater than two times the monthly No Surprise Bill amount.
- 5) Customers may lose qualification for, and may be removed from this rider after notification, if they Dial-Up excessively.

Dial-Up is an increase in non-weather related gas usage. It is determined by WeatherWise's analysis programs based upon each customer's usage pattern determined by WeatherWise as the basis for the current No Surprise Bill offering. A customer agrees to act in good faith to limit Dial-Up and maintain non-weather related gas usage at historic levels. Examples of actions taken by the customer which could cause Dial-Up include, but are not limited to, home expansions, increases in water heater and/or furnace thermostat settings, and adding members to the household. Excessive Dial-Up, for purposes of this No Surprise Bill rider, shall be an increase of 15% or more in non-weather related gas usage for two consecutive months. Dial-Up may cause the customer's fixed bill quote for subsequent program years to increase.

- 6) CenterPoint Energy may allow a customer to exit the rider before the completion of the 12 month term in the event of extraordinary or unusual circumstances such as dramatic reductions in usage due to an extended hospital stay.

- 7) A customer leaving or being removed from this rider before the end of the current program year shall be subject to certain additional fees as follows:
 - a) If the customer is removed due to a change in residence or nonpayment, the customer shall be subject to a Cashout, or
 - b) If the customer is removed for any other reason, the customer shall be subject to the Cashout and Exit Fee.
- 8) The additional fees identified above shall be as follows:
 - a) Cashout – an amount due from or to a customer, determined by comparing the amount paid to date during the current program year to the amount which would have been paid had the customer taken service under the standard rate schedule.
 - b) Exit Fee - \$30.00
- 9) CenterPoint Energy will use standard operating practices and procedures to maintain reliable gas service. If outages occur, CenterPoint Energy will make good faith efforts to restore gas service quickly. The customer's who take service under this rider will not have their bill adjusted because of such outages.