

LARGE VOLUME DUAL FUEL TRANSPORTATION SERVICE

Availability:

Available to any customer whose peak day requirements exceed 1,999 Therms on an interruptible basis for the delivery of gas owned by the customer from a CenterPoint Energy Town Border Station(s) to a meter location on the customer's premise. Delivery is contingent on adequate distribution system capacity.

Customers that use, for reasons of price, an alternative energy supply (other than biomass energy) shall be limited to gas service under the Market Rate Service Rider for a period of one (1) year.

Rate:

MONTHLY BASIC CHARGE	DELIVERY CHARGE PER THERM
\$700.00	\$0.04270

Special Conditions:

- 1) Customer must have arranged for the purchase of gas other than CenterPoint Energy's pipeline supply and for its delivery to a CenterPoint Energy Town Border Station(s). CenterPoint Energy may, at its option, take title to transportation gas, if necessary to arrange interstate pipeline transportation to CenterPoint Energy's Town Border Station(s).
- 2) Customer will provide CenterPoint Energy's Throughput Management Department in writing (by facsimile) with a reasonable estimate of total monthly consumption at least five (5) working days prior to the end of the preceding month.
- 3) Customer is responsible for reimbursing CenterPoint Energy for all incremental on-site plant investments, including telemetry equipment, required by CenterPoint Energy for providing transportation services to the customer. This investment shall remain the property of CenterPoint Energy.
- 4) Customer must have and maintain adequate standby facilities and have available sufficient fuel supply to maintain operations during periods of curtailment.
- 5) Customer agrees to curtail the use of gas transported hereunder, within one (1) hour when requested by CenterPoint Energy.

Therm Factor Adjustment:

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit.

LARGE VOLUME DUAL FUEL TRANSPORTATION SERVICE (CONTINUED)**Nomination:**

Customer requesting nomination changes commencing at 9:00 a.m. central clock time (CCT), must directly advise CenterPoint Energy's Throughput Management Department in writing (by facsimile), by 9:00 a.m. CCT on the preceding day (24 hours in advance), of the volumes to be delivered on its behalf from the Town Border Station to the customer's premise. CenterPoint Energy will utilize reasonable efforts to accommodate changes requested after the deadline.

Customer will provide CenterPoint Energy's Throughput Management Department with a concurrent copy of all nominations made to the transporting pipeline for deliveries nominated to CenterPoint Energy's Town Border Station(s).

Balancing:

To maintain the operational integrity of CenterPoint Energy's distribution system, the customer is responsible for:

- 1) Scheduling deliveries which accurately reflect customer's expected total daily consumption; and
- 2) Balancing deliveries to CenterPoint Energy's system with volumes consumed at the delivery point.

Daily Balancing

When daily volumes of natural gas delivered on behalf of customer to CenterPoint Energy's Town Border station receipt points or natural gas received at customer's designated delivery point differ, above or below daily scheduled volumes, the customer is out-of-balance. It is the customer's sole responsibility to maintain balance between nominated volumes and actual use, however, CenterPoint Energy reserves the right to adjust or refuse nominations to maintain balance.

Volume differences between daily receipts and deliveries shall be accumulated and recorded in customer's account. CenterPoint Energy shall determine the imbalance quantity for each day on a therm basis. CenterPoint Energy shall then account for the imbalance volumes as follows:

LARGE VOLUME DUAL FUEL TRANSPORTATION SERVICE (CONTINUED)

- 1) Non-SUL/SOL/CRITICAL DAYS – When a customer’s scheduled deliveries to the company differ from daily consumption by more than 5%, the customer will be charged Northern Natural Gas Company’s maximum TI rate per therm for each imbalance therm. The current maximum TI rate per therm is:

November – March	\$.06100 per therm
April – October	\$.02521 per therm
- 2) SUL Days – On days in which Northern Natural Gas Company declares a System Under run Limitation (SUL), the 5% daily imbalance tolerance will be suspended and a daily charge of \$.10 per therm for each therm of consumption less than the confirmed nomination will be charged. If consumption is greater than the confirmed nomination, there is no charge.
- 3) SOL Days – On days in which Northern Natural Gas Company declares a System Overrun Limitation (SOL), the 5% of daily imbalance tolerance will be suspended and daily charges for each therm of consumption greater than the confirmed nomination will apply as follows:
 - a) For consumption up to 105% of confirmed nomination, \$.10 per therm
 - b) For consumption greater than 105% of confirmed nomination, \$1.090 per therm. If consumption is less than the confirmed nomination, there is no charge.
- 4) Critical Days – On days in which Northern Natural Gas Company declares a Critical Day, a charge equal to the daily delivery variance charge (DDVC) of the pipeline will apply to those volumes in excess of the confirmed nomination level. Currently this charge is as much as \$11.30 per therm.

Customers transporting into CenterPoint Energy’s system on pipelines other than Northern Natural Gas will be subject to daily imbalance tolerances and fees as specified in those pipeline’s FERC approved tariffs, in lieu of the tolerances and fees specified above. As Northern revises this rate schedule, the company’s rate will be adjusted accordingly after receiving Commission approval.

LARGE VOLUME DUAL FUEL TRANSPORTATION SERVICE (CONTINUED)**Monthly Balancing:**

Volume differences between monthly receipts and deliveries shall be accumulated and recorded in customer's account. CenterPoint Energy shall determine the imbalance quantity for each month on a therm basis. CenterPoint Energy shall then account for the imbalance volumes as follows:

- 1) For negative imbalances - when a customer's monthly consumption exceeds total deliveries to CenterPoint Energy for that customer by more than 2%, the excess usage will be billed to the customer at 120% of the monthly index price plus transportation charges. The monthly index price shall equal the average daily price reported in *Platts Gas Daily* for deliveries into Northern Natural Gas Pipeline at Ventura. Transportation charges shall equal the commodity transportation charge as published in Northern Natural Gas Pipeline tariffs for interruptible transportation service.
- 2) For negative imbalances less than or equal to 2%, the excess usage will be billed at 100% of the monthly index price plus transportation charges.
- 3) For positive imbalances - when a customer's total monthly deliveries exceed customer's monthly consumption by more than 2%, the dollar value of the excess gas deliveries will be credited to the customer's account at 80% of the monthly Index price plus transportation charges. Transportation charges shall equal the commodity transportation charge as published in Northern Natural Gas Pipeline tariffs for firm transportation service. For positive imbalances less than or equal to 2%, the excess usage will be credited at 100% of the monthly Index price plus transportation charges.
- 4) When an imbalance occurs due to curtailment and the customer's gas continues to be delivered by the pipeline, CenterPoint Energy will apply the positive imbalance to the customer's account for re-delivery at a later date. Such volumes will not be subject to Daily Balancing Fees, but will be subject to Monthly Balancing Fees if the imbalance is not eliminated by the end of the month.

Penalty for Unauthorized Gas Use:

If a customer fails to discontinue use of gas within one hour of being requested to do so by CenterPoint Energy, the customer will be deemed to have taken Unauthorized Gas. The penalty for unauthorized use of gas will be:

- 1) For the first occurrence of the gas year: the prevailing delivery charge plus the highest incremental supply cost for the day plus \$1.00 per Therm.
- 2) For subsequent occurrences: the prevailing delivery charge plus the highest incremental supply cost for the day plus \$2.00 per Therm.

For purposes of this provision, the gas year is the twelve month period beginning November 1 each year.

Further, CenterPoint Energy shall have the right to shut off customer's supply of gas in the event of failure to discontinue use after being requested to do so.

Due Date:

The due date printed on customer bills will not be more than five days before the next scheduled billing date. However, customers who have selected the Automatic Bank Draft option may select a due date which is greater than five days before the next scheduled billing date.

Late Payment Charge:

Delinquent amounts are subject to a late payment charge of 1.5% or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less.

All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

LARGE VOLUME DUAL FUEL TRANSPORTATION SERVICE (CONTINUED)**Franchise Fee:**

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Conservation Improvement Adjustment Rider:

All customer bills under this rate are subject to the Conservation Improvement Rider, Section V, Page 13.

Contract:

Customer must sign a separate contract for transportation service to each delivery point. The minimum contract term for Dual Fuel Transportation Service is thirty (30) days.

Customer must advise CenterPoint Energy five (5) days in advance in writing when it wishes to cancel a contract for Dual Fuel Transportation Service.

Customer is obligated to provide a copy of all contracts used to procure and deliver natural gas to CenterPoint Energy's Town Border Station(s). Customer is not required to provide price information.