

**CENTERPOINT ENERGY ENTEX, A DIVISION OF**  
**CENTERPOINT ENERGY RESOURCES CORP.,**  
**GAS FACILITY EXTENSION POLICY**

**I. PREFACE**

CenterPoint Energy Entex, a Division of CenterPoint Energy Resources Corp. ("Company" or "CenterPoint"), has a vision to be the leading energy provider in the State of Mississippi. In order to accomplish this vision, CenterPoint must continue to offer a customer-centered approach to natural gas service that is safe, reliable, and economical. The purpose of this policy is to aggressively pursue new opportunities to extend gas service in order to meet the energy demands of the communities we serve. To accomplish this, the following Gas Facility Extension Policy has been adopted by CenterPoint and will be effective after the same has been accepted by the Mississippi Public Service Commission.

**II. DEFINITIONS**

The following words, phrases and terms, when used in this Gas Facility Extension Policy, shall have the following meaning:

- A. "Base Load Customer" or "Base Load" - a non seasonal customer (i.e., a customer using natural gas 12 months per year).
- B. "Commission" - The Mississippi Public Service Commission.
- C. "Company" or "CenterPoint"- CenterPoint Energy Entex, a Division of CenterPoint Energy Resources Corp., its successors or assigns.
- D. "Main" - A distribution line that serves as a common source of supply for more than one service line.
- E. "Main Construction Charges" - The average cost per foot which Company incurs on a statewide basis to install gas main, plus applicable Federal and State income taxes.
- F. "Main Extension" - The addition of pipe to an existing main to serve new customers.
- G. "Service Line Construction Charges" - The average cost per foot which Company incurs on a statewide basis to install service line, plus applicable Federal and State income taxes.
- H. "Service Line" - The pipe and attached fittings which carry gas from Company's mains to the customer's meter.

### **III. CURRENT MAIN AND SERVICE LINE CONSTRUCTION CHARGES**

Company's current Main Construction Charges for 2" diameter main are \$6.50 per foot. Company's current Service Line Construction Charges are \$5.30 per foot. As costs change from time to time, Company will file revised Main and Service Line Construction Charges with the Commission. The revised construction charges will apply to all main and service line installed after the date such revised charges are filed with the Commission.

### **IV. RESIDENTIAL AND SMALL COMMERCIAL, INDUSTRIAL AND PUBLIC AUTHORITY GAS SERVICE**

This Section IV applies to all residential and general gas service to commercial, industrial and public authority customers having estimated consumption of 100 MCF or less in a billing month.

#### **A. Main Extensions**

- (1) This policy does not apply where main in excess of 2" in diameter must be installed in order to have adequate capacity to meet the requirements of the prospective customers. In such cases Company will undertake an economic feasibility study and will construct the main if the results of the study indicate that the project is feasible.
- (2) When an extension of main not exceeding 2" in diameter is required, the cost of the main will be based on 2" diameter pipe, even though the Company may deem it advisable to install larger size pipe for the overall operational integrity of the system.
- (3) Mains will be installed for a prospective customer within the limits of public right-of-way to said customer as follows:

#### **(a) Residential**

##### **Construction Allowance for Base Load Customer**

For a Base Load Customer, the first 100 feet of Main will be installed at no charge. For any footage in excess of 100 feet, a contribution in aid of construction will be collected at a rate equal to Company's current Main Construction Charges on file with the Commission.

Construction Allowance for Customer with Less than Base Load

For a customer with less than Base Load, a Company's contribution in aid of construction will be collected for all Main at a rate equal to Company's current Main Construction Charges on file with the Commission.

(b) Small Commercial and Industrial

For a Base Load Customer, the first 100 feet of Main will be installed at no charge. Any additional footage will be evaluated for economic feasibility. If the study shows that additional footage is feasible with no advance, Company will install the main at no charge to the customer. If a cash advance is required, the prospective customer will be required to make a cash advance as necessary to make the extension feasible. For a non Base Load Customer, a contribution in aid of construction will be collected for all main at a rate equal to Company's current Main Construction Charges on file with the Commission.

B. Service Line Extensions –Residential/Small Commercial

From existing mains of adequate capacity, Company will extend Service Lines in accordance with the following:

(1) Construction Allowance for Base Load Customer

- (a) Service Line will be installed for a prospective customer within the limits of the public right-of-way at no charge to said customer.
- (b) The first 100 feet of Service Line on the customer's premises will be installed at no charge, and will require an easement from the premises owner.
- (c) Service Line installed in excess of 100 feet on customer's premises will require a non-refundable Cash Advance at a rate equal to Company's current per foot Service Line Construction Charges on file with the Commission, and will require an easement from the premises owner.

(2) Construction Allowance for Customer with Less than Base Load

- (a) Service Line will be installed for a prospective customer within the limits of the public right-of-way at no charge to said customer.
- (b) Service Line installed on Company's premises will require a non-refundable cash advance at a rate equal to Company's current

Service Line Construction Charges on file with the Commission, and will require an easement from the premises owner.

(3) Excess Construction Allowance for High-density Residential Developments

Where the value of the Construction Allowance for Main and Service Lines exceeds Company's investment in mains and service lines required to serve an apartment building or similar high-density residential development, Company may at its option utilize excess allowances to defray the cost of gas piping and other facilities required for gas utilization in the development.

**V. LARGE COMMERCIAL AND INDUSTRIAL CUSTOMERS**

This section applies to all gas service to commercial and industrial customers having estimated consumption in excess of 100 MCF in a billing month.

Construction of facilities to serve a large commercial or industrial customer will be done where the results of an economic analysis study indicate that the project is feasible.

- A. Customer will make a non-refundable cash advance to Company for the cost of Service Line unless special contractual provisions, such as an annual revenue guarantee, facilities charge, etc., exist and so compensate Company for the Service Line expenditure.
- B. Company will consider refundable cash advances, non-refundable cash advances, revenue guarantees, facilities charges or other means of establishing the economic feasibility of construction of mains and/or city gate stations to extend service to Customer.

**VI. ALL CLASSES OF CUSTOMERS**

- A. All facilities shall be constructed by Company or its representative.
- B. High pressure transmission mains of Company's pipeline suppliers are not, under the terms of this policy, to be considered as existing distribution mains. Applications for service from such mains require individual study of all related data.
- C. The foregoing connection and extension regulations do not apply to temporary service. Temporary service will be available only upon individual study on the economics of each request for such service.

- D. Company shall not be required to build extensions even though applicant is willing to pay full construction cost when in the opinion of the Company the revenue to be derived therefrom is insufficient to cover operating expense, depreciation, and applicable taxes and cost of purchased gas thereon.
- E. In determining the economic feasibility of constructing Main and Service Line, Company will consider the cost of all materials, labor, overhead necessary to install the Main and any upgrades or improvements thereto, along with all applicable taxes, depreciation expenses, and cost of capital at a rate not to exceed Company's then allowed return on equity.
- F. When an advance or a contribution in aid of construction (hereinafter called "cash advance") is required, the cash advance may be either refundable or non-refundable depending on the following described circumstances:
- (1) The cash advance is made on a refundable basis to the extent that it is for future Base Load Customers (i.e., *total prospective Base Load Customers excluding current applicants*) reasonably expected to be served from the Main extension during the five-year period immediately following installation. Applicants and Company shall execute an agreement specifying the specific terms and conditions of such refundable cash advance, which agreement may be similar in content to the agreements attached hereto as Exhibits B and C. Should an executed agreement contain the same content as Exhibits B or C, except the blanks thereto have been completed, then such agreement is approved by the Commission and a copy shall be maintained by Company for the duration of the agreement. Should an executed agreement contain similar content to Exhibit B or C, then Company shall file a copy of the executed agreement with the Commission and such agreement is effective unless disapproved by the Commission within thirty days of said filing.
  - (2) Any remaining cash advance required after considering the refundable cash advance, if any, is made in the form of a non-refundable cash advance. The amount of non-refundable cash advance will include the cost of State and Federal taxes due on such contributions.
  - (3) Company may, at its option, forego a cash advance and in lieu thereof obtain an agreement obligating the contracting party to pay Company a non-utilization charge for each occupied structure that does not utilize a Base Load. Such agreements may be similar to the agreements attached hereto as Exhibits A, D and E. Should an

executed agreement contain the same content as Exhibits A, D or E except the blanks thereto have been completed, then such agreement is approved by the Commission and a copy shall be maintained by Company for the duration of the agreement. Should any executed agreement contain similar but not the same content to Exhibits A, D, or E, then Company shall file a copy of the executed agreement with the Commission and such agreement is effective unless disapproved by the Commission within thirty days of said filing.

- (4) Facilities Rate. The term "Excess Footage" as used in this paragraph means all Main in excess of 100 feet in length which must be installed to serve a customer.

Whenever Excess Footage is required to serve a customer, Company may, at its option, apply a Facilities Rate in lieu of a refundable or non-refundable cash advance. The Facilities Rate shall apply to all future billing for customers who are served directly from the new facilities for which the Facilities Rate was instituted.

Whenever the cost to Company of installing Excess Footage, before addition of State and Federal taxes that would otherwise apply to a cash advance, is equal to or less than \$410.00 per customer, the monthly per customer Facilities Rate is \$4.00. If such cost is greater than \$410.00, but not greater than \$820.00, the monthly per customer Facilities Rate is \$8.00. If such cost for a customer exceeds \$820.00, the \$8.00 monthly charge is applied, and the difference between \$820.00 and the total cost to Company of installing the Excess Footage is paid by customer as a cash advance. The amount of the cash advance will be increased to cover the cost of State and Federal taxes due on the cash advance.

Where a Facility Rate is applied to a main extension that would have otherwise qualified for a refundable cash advance, Company will review such extension annually for a period not to exceed five (5) years, to determine if sufficient growth has occurred to reduce or eliminate the Facilities Rate.

- G. The Company may, at its option, waive cash advances in whole or in part if it is provided documented proof that sufficient gas equipment will be installed to justify the cost of construction, or upon Company satisfying itself, based on its studies, that prospective growth in the area justifies waiving all or part of the cash advance.

**CenterPoint Energy Entex**

A Division of CenterPoint Energy Resources Corp.,  
A Delaware Corporation

**CUSTOMER GAS MAIN EXTENSION AGREEMENT**

**NOTICE TO CUSTOMER:**  
**THIS AGREEMENT IMPOSES OBLIGATIONS ON THE CUSTOMER**  
**AND GRANTS ENFORCEABLE RIGHTS TO CENTERPOINT ENERGY ENTEX.**  
**DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT.**

This agreement ("Agreement") is entered into between CenterPoint Energy Entex, A Division of CenterPoint Energy Resources Corp., a Delaware Corporation, hereinafter called "Company", and \_\_\_\_\_, hereinafter called "Customer", whether one or more, whose address is \_\_\_\_\_, and

**WHEREAS**, Company is engaged in the transmission, distribution and sale of natural gas ("gas"), and Customer desires to obtain gas service to Customer's dwelling at the address set out above; and

**WHEREAS**, Company is agreeable to extending its gas main to provide gas service at the address set out above under certain conditions set out below.

**NOW THEREFORE**, for and in consideration of the covenants and conditions stated herein, Company and Customer agree as follows:

1. Upon Company's receipt of the executed agreements required in paragraph 6 below, and upon Company's determination that it possesses the necessary easements, permits, certificates and/or licenses for the placement of the necessary gas main, Company shall construct the necessary gas main to make gas service available to Customer at the address set out above.

2. Customer shall connect its dwelling with Company's gas main within one year from the date said main is completed and ready for service, and said dwelling shall contain gas appliances, and Customer shall use gas purchased from Company for all of said dwelling's appliances needed to qualify it as a "base load customer" as defined by Company's Gas Facility Extension Policy on file with the Mississippi Public Service Commission. Should Customer fail to timely comply with the requirements of this paragraph, then Customer shall pay Company the amount of \$\_\_\_\_\_, which is non-refundable.

3. Absolute legal and equitable title to said gas main, wherever laid, and to all property installed by Company to provide gas service, shall be and forever remain or vest in Company, its successors and assigns, and Company at all times shall exercise all rights of ownership and control over same, use same for all purposes in its business, and make such extensions thereof and connections therewith as Company sees fit. Company shall have no obligation under this Agreement to install service lines, yard lines, or house piping, except that Company will install service line for Customer in accordance with Company's Gas Facility Extension Policy on file with the Mississippi Public Service Commission.

4. In the event Company is required to file suit against Customer to enforce any provision of this Agreement, then Customer shall reimburse Company for any and all expenses, including reasonable attorney's fees and court costs, incurred by Company in enforcing its rights against Customer under this Agreement.

5. The provisions of this Agreement shall be binding upon and inure to the benefit of the successors and assigns of Company and Customer.



6. Company's obligation to provide gas service to Customer at the address set out above shall not arise until Company receives executed agreements in a form similar to this Agreement from at least \_\_\_\_\_ located at the following location: \_\_\_\_\_.

**IN WITNESS WHEREOF**, Company and Customer have executed this Agreement in duplicate originals on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and Customer acknowledges receipt of one original hereof.

**CENTERPOINT ENERGY ENTEX, A  
DIVISION OF CENTERPOINT ENERGY  
RESOURCES CORP., A DELAWARE  
CORPORATION**

By: \_\_\_\_\_

**CUSTOMER:**

\_\_\_\_\_  
\_\_\_\_\_

**CenterPoint Energy Entex**

A Division of CenterPoint Energy Resources Corp.,  
A Delaware Corporation

**CUSTOMER GAS MAIN EXTENSION AGREEMENT  
(WITH CONTRIBUTION IN AID OF CONSTRUCTION)**

**NOTICE TO CUSTOMER:**  
**THIS AGREEMENT IMPOSES OBLIGATIONS ON THE CUSTOMER**  
**AND GRANTS ENFORCEABLE RIGHTS TO CENTERPOINT ENERGY ENTEX.**  
**DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT.**

This agreement ("Agreement") is entered into between CenterPoint Energy Entex, A Division of CenterPoint Energy Resources Corp., a Delaware Corporation, hereinafter called "Company", and \_\_\_\_\_, hereinafter called "Customer", whether one or more, whose address is \_\_\_\_\_.

**WHEREAS**, Company is engaged in the transmission, distribution and sale of natural gas ("gas"), and Customer desires to obtain gas service to Customer's dwelling at the address set out above; and

**WHEREAS**, Company is agreeable to extending its gas main to provide gas service at the address set out above under certain conditions set out below.

**NOW THEREFORE**, for and in consideration of the covenants and conditions stated herein, Company and Customer agree as follows:

1. Customer shall pay to Company \$\_\_\_\_\_ on or before\_\_\_\_\_. Upon Company's receipt of said payment and Company's receipt of the executed agreements and payments required in paragraph 6 below, and upon Company's determination that it possesses the necessary easements, permits, certificates and/or licenses for the placement of the necessary gas main, Company shall

construct the necessary gas main to make gas service available to Customer at the address set out above.

2. Customer shall connect its dwelling with Company's gas main within one year from the date said main is completed and ready for service, and said dwelling shall contain gas appliances, and Customer shall use gas purchased from Company for all of said dwelling's appliances needed to qualify it as a "base load customer" as defined by Company's Gas Facility Extension Policy on file with the Mississippi Public Service Commission. Should Customer fail to timely comply with the requirements of this paragraph, then Customer shall pay Company an additional amount of \$\_\_\_\_\_, which is non-refundable.

3. Absolute legal and equitable title to said gas main, wherever laid, and to all property installed by Company to provide gas service, shall be and forever remain or vest in Company, its successors and assigns, and Company at all times shall exercise all rights of ownership and control over same, use same for all purposes in its business, and make such extensions thereof and connections therewith as Company sees fit. Company shall have no obligation under this Agreement to install service lines, yard lines, or house piping, except that Company will install service line for Customer in accordance with Company's Gas Facility Extension Policy on file with the Mississippi Public Service Commission.

4. In the event Company is required to file suit against Customer to enforce any provision of this Agreement, Customer shall reimburse Company for any and all expenses, including attorney's fees and court costs, incurred by Company in enforcing its rights against customer under this Agreement.

5. The provisions of this Agreement shall be binding upon and inure to the benefit of the successors and assigns of Company and Customer.

6. Company's obligation to provide gas service to Customer is contingent upon Company's receipt of executed similar agreements to this Agreement, and Company's receipt of advance payments from \_\_\_\_\_ occupants at the following location: \_\_\_\_\_.

7. After the occupants of \_\_\_\_\_ (\_\_\_\_\_) of the dwellings located in the area defined in paragraph 6 have executed a similar agreement to this Gas Main Extension Agreement, have paid the consideration set out in paragraph I above, and have begun purchasing the minimum base load for all of their base load needs from Company, then Company agrees to refund Customer \_\_\_\_\_ Dollars (\$\_\_\_\_\_) for each additional occupied premise which is located on a lot directly connected with the main extension by a service line and which has utilized gas from Company a period of at least one year from the date of connection for all of their base load needs. If the main is further extended beyond the point covered by this payment, and no additional deposit is made by Customer, no refunds shall be made for service connections on such extension of the main beyond the present extension. No refund will be made for any premise connected after five years from the date hereof. The right to any refund may be assigned by Customer to any successor to fee title of Customer's premises served by said main extension, but no assignment shall be binding on Company until it has received written notice thereof. The total amount to be repaid to Customer shall never exceed the amount by Customer to Company. Should Customer fail to use natural gas as provided

herein, Customer shall not be entitled to any refund under the terms of this Agreement whatsoever. After six years from date of this Agreement, all or any portion of the payment remaining unrefunded to Customer shall be conclusively deemed to have become the property of Company as partial compensation for the cost of operating and maintaining the main extension. All refunds due from Company to Customer under this Agreement may be made by check payable to Customer and mailed by Company to Customer at the above address within ninety (90) days after the anniversary date of each year of this Agreement.

**IN WITNESS WHEREOF**, Company and Customer have executed this Agreement in duplicate originals on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and Customer acknowledges receipt of one original hereof.

**CENTERPOINT ENERGY ENTEX, A  
DIVISION OF CENTERPOINT ENERGY  
RESOURCES CORP., A DELAWARE  
CORPORATION**

By: \_\_\_\_\_

**CUSTOMER:**

\_\_\_\_\_  
\_\_\_\_\_

**CenterPoint Energy Entex**

A Division of CenterPoint Energy Resources Corp.,  
A Delaware Corporation

**DEPOSITOR GAS MAIN EXTENSION AGREEMENT**

**NOTICE TO DEPOSITOR:**  
**THIS AGREEMENT IMPOSES OBLIGATIONS ON THE DEPOSITOR**  
**AND GRANTS ENFORCEABLE RIGHTS TO CENTERPOINT ENERGY ENTEX.**  
**DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT.**

This agreement ("Agreement") is entered into between CenterPoint Energy Entex, A Division of CenterPoint Energy Resources Corp., a Delaware Corporation, hereinafter called "Company", and \_\_\_\_\_, hereinafter called "Depositor", whether one or more, whose address is \_\_\_\_\_

**WHEREAS**, Company is engaged in the transmission, distribution and sale of natural gas ("gas"), and Depositor desires that Company make the following extension of its gas mains: \_\_\_\_\_;  
and

**WHEREAS**, presently there is not a sufficient number of gas consumers to be served by said extension to yield Company a reasonable return upon the investment required to make said extension. However, Depositor is agreeable to pay to Company the amount of money set out below and to abide by the conditions set out below to enable Company to make said extension.

**NOW THEREFORE**, for and in consideration of the covenants and conditions stated herein, Company and Depositor agree as follows:

1. Depositor shall pay to Company \$ \_\_\_\_\_ on or before \_\_\_\_\_ . Within thirty days of Company's receipt of said payment, Company shall commence construction on said main extension and use every reasonable effort to complete same within a reasonable time. Nothing stated herein, however, shall require Company to commence construction before Company's determination that it possesses the necessary easements, permits, certificates and/or licenses for the placement of said main extension.

2. No refund shall be made for the first \_\_\_\_\_ (\_\_\_\_) additional premises occupied and using gas for general purposes located on a lot abutting on the thoroughfare along which said main extension is laid and directly connected with said main extension by a consumer's service line. Beginning with the \_\_\_\_\_ additional premise, Company agrees to refund Depositor \$ \_\_\_\_\_ for each additional premise occupied and using gas for general purposes located on a lot abutting on the thoroughfare or easement in and along which said main extension is laid and directly connected with said main extension by a consumer's service line, provided each such additional consumer agrees in writing to take gas for general purposes from Company for one year from date of connection. If said additional premise is a single family dwelling unit, it shall be deemed to be using gas for general purposes if it qualifies as a "base load customer, as defined by Company's Gas Facility Extension Policy filed with the Mississippi Public Service Commission; however, gas appliances used as a supplemental or standby heat sources shall not qualify for this purpose. If said main is branched or further extended beyond the point covered by this deposit, and no additional deposit is

made by Depositor, no refunds shall be made on account of service connections on such extension of the main beyond the present extension. No refund will be made for any consumer connected after five years from the date hereof. The right to any such refund may be assigned by Depositor to any successor to fee title of Depositor's premises served by said main extension, but no such assignment shall be binding on Company until it has received written notice thereof. The total aggregate amount to be repaid shall never exceed the total amount paid by Depositor to Company. After five years from the date of this Agreement, all or any portion of said payment remaining unrefunded to Depositor or assigns shall be conclusively deemed to have become the property of Company as partial compensation for the cost of operating and maintaining said main extension and the depreciation thereof. If Depositor or the successor in title to Depositor's premises shall discontinue taking gas from Company or should Company lawfully discontinue serving gas to Depositor or Depositor's said successor in title, all right to any further repayment thereafter shall immediately terminate.

3. Absolute legal and equitable title to said main extension, wherever laid, and to all property installed by Company to provide gas service, shall be and forever remain vested in Company, its successors and assigns, and Company at all times shall exercise all rights of ownership and control over same, use same for all purposes in its business, and make such extensions thereof and connections therewith as Company sees fit. Company shall have no obligation under this Agreement to install service lines, yard lines, or house piping, except that Company will install service line for any consumer in accordance with Company's Gas Facility Extension Policy on file with the Mississippi Public Service Commission.



4. In the event Company is required to file suit against Depositor to enforce any provision of this Agreement, then Depositor shall reimburse Company for any and all expenses, including reasonable attorney's fees and court costs, incurred by Company in enforcing its rights against Depositor under this Agreement.

5. The provisions of this Agreement shall be binding and inure to the benefit of the successors and assigns of Company and Depositor.

**IN WITNESS WHEREOF**, Company and Depositor have executed this Agreement in duplicate originals on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and Depositor acknowledges receipt of one original hereof.

**CENTERPOINT ENERGY ENTEX, A  
DIVISION OF CENTERPOINT ENERGY  
RESOURCES CORP., A DELAWARE  
CORPORATION**

By: \_\_\_\_\_

**DEPOSITOR:**

\_\_\_\_\_  
\_\_\_\_\_

Contract No. \_\_\_\_\_  
See Attached Sketch

**CenterPoint Energy Entex**

A Division of CenterPoint Energy Resources Corp.,  
A Delaware Corporation

**RESIDENTIAL  
PREDEVELOPMENT GAS MAIN EXTENSION AGREEMENT**

This agreement ("Agreement") is entered into between CenterPoint Energy Entex, A Division of CenterPoint Energy Resources Corp., a Delaware Corporation, hereinafter called "Company", and \_\_\_\_\_, hereinafter called "Developer", whose address is \_\_\_\_\_.

**WHEREAS**, Company is engaged in the transmission, distribution and sale of natural gas ("gas"), but has no facilities located in the hereinafter described subdivision; and

**WHEREAS**, Developer is developing said subdivision and has requested that Company install gas mains to serve each residential lot in said subdivision; and

**WHEREAS**, Developer recognizes that the requested gas mains will necessitate a capital investment either on the part of the Developer by way of contribution in aid of construction or on the part of Company; and

**WHEREAS**, Developer desires Company to make the capital investment required for the requested gas main extension in lieu of a part or all of a contribution in aid of construction by Developer; and

**WHEREAS**, there will not be a sufficient number of gas customers to be served by said extension to yield Company a reasonable rate of return upon the investment required to make said extension, unless houses or dwelling units are "base load customers" as defined by Company's Gas Facility Extension Policy on file with the Mississippi Public Service Commission; and

**WHEREAS**, in order to induce Company to make the required investment, Developer shall make a nonutilization of gas facilities payment, as set out below, to help offset the decreased rate of return to be experienced by Company as a result of the failure of \_\_\_\_\_ houses or dwelling units to qualify as base load customers;

**NOW THEREFORE**, for and in consideration of the covenants and conditions stated herein, Company and Developer agree as follows:

1. Company shall install all approach mains and gas distribution mains (hereinafter called "mains") necessary to furnish dependable gas service to \_\_\_\_ dwellings in the following described location: \_\_\_\_\_

Company shall commence and pursue to completion construction of the mains within a reasonable period of time consistent with the orderly development of the subdivision.

Nothing stated herein, however, shall require Company to commence construction before Company's determination that it possesses the necessary easements, permits, certificates and/or licenses for the placement of said mains.

2. If \_\_\_\_\_ single family houses or dwelling units (hereinafter called "houses") completed in the subdivision qualify as base load customers , no compensation shall be required from Developer for the gas mains described in paragraph 1 hereof; appliances using gas as a supplemental or standby heat source shall not qualify for this purpose. If however,

\_\_\_\_\_ houses completed in the subdivision do not qualify as base load customers, then Developer shall pay to Company a nonutilization of gas facilities charge of

\$ \_\_\_\_\_ (hereinafter called "nonutilization charge") for each nonutilizing house.

Developer recognizes that this nonutilization charge is paid and the obligations of this Agreement are incurred in lieu of a contribution in aid of construction, which would otherwise be required. The obligation for the nonutilization charge arises to the

\_\_\_\_\_ ( \_\_\_\_\_ ) single family house(s) in this location on the date Company commences

construction of any approach or distribution main designed to serve this location. The nonutilization charge is due and payable thirty (30) days following the date of completion of \_\_\_\_\_ nonutilizing houses in the subdivision and bears interest at the rate of ten percent (10%) per annum from the date due. For purposes of this Agreement a house shall be deemed completed upon the installation of base load appliances which do not use gas. After construction of mains has commenced, Developer may notify Company that it does not desire gas mains installed in various locations of the above-described subdivision, in which case Company need not install gas mains in the areas designated by Developer, but Developer will nevertheless be required to pay Company the nonutilization charge for the number of completed homes to which mains are not extended pursuant to Developer's request.

3. Absolute legal and equitable title to said gas mains, wherever laid, and to all property installed by Company to provide gas service, shall be and forever remain or vest in Company, its successors and assigns, and Company at all times shall exercise all rights of ownership and control over same, use same for all purposes in its business, and make such extensions thereof and connections therewith as Company sees fit. Company shall have no obligation under this Agreement to install service lines, yard lines, or house piping, except that Company will install service line for any consumer in accordance with Company's Gas Facility Extension Policy on file with the Mississippi Public Service Commission.

4. In the event Company is required to file suit against Developer to enforce any provision of this Agreement, Developer shall reimburse Company for Company's expenses, including attorney's fees and court costs, incurred by Company in enforcing its rights against Developer under this Agreement.

5. The provisions of this Agreement shall be binding upon and inure to the benefit of the successors and assigns of Company and Customer.

6. Company shall install the gas mains in the easement areas set forth in the covenants and on the plats for each subdivision and the gas mains shall be initially laid in compliance with all applicable rules and regulations, and so that no unnecessary damage shall be done to the premises, and so that upon the completion of the work the surface shall be restored to its present condition, or as near thereto as shall be reasonably possible.

**IN WITNESS WHEREOF**, Company and Developer have executed this Agreement in duplicate originals on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and Developer acknowledges receipt of one original hereof.

**CENTERPOINT ENERGY ENTEX, A  
DIVISION OF CENTERPOINT ENERGY  
RESOURCES CORP., A DELAWARE  
CORPORATION**

By: \_\_\_\_\_

\_\_\_\_\_  
**DEVELOPER**

By: \_\_\_\_\_

**CenterPoint Energy Entex**

A Division of CenterPoint Energy Resources Corp.,  
A Delaware Corporation

**COMMERCIAL  
PREDEVELOPMENT GAS MAIN EXTENSION AGREEMENT**

This agreement ("Agreement") is entered into between CenterPoint Energy Entex, A Division of CenterPoint Energy Resources Corp., a Delaware Corporation, hereinafter called "Company", and \_\_\_\_\_ hereinafter called "Developer", whose address is \_\_\_\_\_.

**WHEREAS**, Company is engaged in the transmission, distribution and sale of natural gas ("gas"), but has no facilities located in the hereinafter described development; and

**WHEREAS**, Developer is developing said commercial development and has requested that Company install gas mains to serve commercial lots in said development; and

**WHEREAS**, Developer recognizes that the requested gas mains will necessitate a capital investment either on the part of the Developer by way of contribution in aid of construction or on the part of the Company; and

**WHEREAS**, Developer desires Company to make the capital investment required for the requested gas main extension in lieu of a part or all of a contribution in aid of construction by Developer; and

**WHEREAS**, there will not be a sufficient number of gas customers to be served by said extensions to yield Company a reasonable rate of return upon the investment required to make said extensions, unless \_\_\_\_\_ commercial lots to be served by said

extensions qualify as "base load customers" as defined by Company's Gas Facility Extension Policy filed with the Mississippi Public Service Commission; and

**WHEREAS**, in order to induce Company to make the required investment, Developer shall make a nonutilization of gas facilities payment, as set out below, to help offset the decreased rate of return to be experienced by Company as a result of the failure of \_\_\_\_\_ commercial lots to qualify as base load customers;

**NOW THEREFORE**, for and in consideration of the covenants and conditions stated herein, Company and Developer agree as follows:

1. Company shall install all approach mains and gas distribution mains (hereinafter called "mains") necessary to furnish dependable natural gas service to \_\_\_\_\_ commercial lots in the following described location:  
\_\_\_\_\_. Company shall commence and pursue to completion construction of the mains within a reasonable period of time consistent with the orderly construction of the commercial development.

2. If \_\_\_\_\_ buildings completed in the development qualify as base load customers, no compensation shall be required from Developer for the gas mains described in paragraph 1 hereof; appliances using gas as a supplemental or standby heat source shall not qualify for this purpose. If, however, \_\_\_\_\_ buildings completed in the development do not qualify as base load customers, then Developer shall pay to Company a nonutilization of gas facilities charge of \$\_\_\_\_\_ (hereinafter called "nonutilization charge") for each nonutilizing building. Developer recognizes that this nonutilization charge is paid and the obligations of this Agreement are incurred in lieu of a contribution in aid of construction, which would otherwise be required. The obligation

for the nonutilization charge arises to the \_\_\_\_\_ buildings in this location on the date Company commences construction of any approach or distribution main designed to serve the location. The nonutilization charge is due and payable thirty (30) days following the date of completion of \_\_\_\_\_ nonutilizing buildings in the development and bears interest at the rate of ten percent (10%) per annum from the date due. For purposes of this Agreement a building shall be deemed completed upon the installation of base load appliances which do not use gas. After construction of mains has commenced, Developer may notify Company that it does not desire gas mains installed in various locations of the above-described development, in which case Company need not install gas mains in the areas designated by Developer, but Developer will nevertheless be required to pay Company the nonutilization charge for the number of completed buildings to which mains are not extended pursuant to Developer's request.

3. Absolute legal and equitable title to said gas mains, where laid, and to all property installed by Company to provide gas service, shall be and forever remain or vest in Company, its successors and assigns, and Company at all times shall exercise all rights of ownership and control over same, use same for all purposes in its business, and make such extensions thereof and connections therewith as Company sees fit. Company shall have no obligation under this Agreement to install service lines, yard lines, or house piping, except that Company will install service line for any consumer in accordance with Company's Gas Facility Extension Policy on file with the Mississippi Public Service Commission.



4. In the event Company is required to file suit against Developer to enforce any provision of this Agreement, Developer shall reimburse Company for Company's expenses, including attorney's fees and costs, incurred by Company in enforcing its rights against Developer under this Agreement.

5. The provisions of this Agreement shall be binding upon and inure to the benefit of the successors and assigns of Company and Developer.

6. Company shall install the gas mains in the easement areas set forth in the covenants and on the plats for each development and the gas mains shall be initially laid in compliance with all applicable rules and regulations, and so that no unnecessary damage shall be done to the premises, and so that upon the completion of the work the surface shall be restored to its present condition, or as near thereto as shall be reasonably possible.

**IN WITNESS WHEREOF**, Company and Developer have executed this Agreement in duplicate originals on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and Developer acknowledges receipt of an original hereof.

**CENTERPOINT ENERGY ENTEX, A  
DIVISION OF CENTERPOINT ENERGY  
RESOURCES CORP., A DELAWARE  
CORPORATION**

By: \_\_\_\_\_

\_\_\_\_\_  
**DEVELOPER**

By: \_\_\_\_\_