

General Industrial Transportation Service
Rate Schedule GIT-1

AVAILABILITY

Service under this Rate Schedule shall be available only for transportation and delivery of natural gas to an Industrial End-use Customer where natural gas is tendered for delivery to **CENTERPOINT ENERGY** (herein "Company") at existing city gate stations or other facilities of adequate capacity and suitable pressure of CenterPoint Energy – Louisiana Gas.

APPLICATION

This Rate Schedule is applicable to gas transportation service, where (a) a written Transportation Service Agreement ("Agreement") has been executed after June 1, 2009 between Company and a Shipper; (b) Shipper has arranged for delivery of natural gas to Company at a Receipt Point acceptable to Company in its sole discretion; (c) Company redelivers an equivalent quantity of gas to a Delivery Point; and (d) Company does not take title to or own the gas so transported.

DEFINITIONS

For definitions of terms contained in this Rate Schedule, see the *General Terms and Conditions for Transportation Service* for Rate Schedule GIT-1 ("General Terms").

NET MONTHLY RATE

For all gas transported and delivered to the facilities of an End-use Customer during the period August 1, 2009 through January 31, 2010, the Net Monthly Rate for gas transported under this Rate Schedule during a billing period shall be equal to the sum of:

- (i) a monthly customer charge of \$16.00; plus
- (ii) a monthly administrative fee of \$450.00; plus
- (iii) a rate per MMBtu for all gas transported and delivered to facilities of an End-use customer during a billing period equal to the sum of :

First 1,000 MMBtu @ \$2.40 per MMBtu
Over 1,000 MMBtu @ \$0.20 per MMBtu

- (iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.

For all gas transported and delivered to the facilities of an End-use Customer during the period February 1, 2010 through July 31, 2010, the Net Monthly Rate for gas transported under this Rate Schedule during a billing period shall be equal to the sum of:

- (i) a monthly customer charge of \$16.00; plus
- (ii) a monthly administrative fee of \$450.00; plus
- (iii) a rate per MMBtu for all gas transported and delivered to facilities of an End-use customer during a billing period equal to the sum of :

First 1,000 MMBtu @ \$2.40 per MMBtu
Over 1,000 MMBtu @ \$0.41 per MMBtu

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(iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.

Beginning August 1, 2010, the Net Monthly Rate for gas transported under this Rate Schedule for all gas transported and delivered to the facilities of an End-use Customer during a billing period shall be equal to the sum of:

- (i) a monthly customer charge of \$16.00; plus
- (ii) a monthly administrative fee of \$450.00; plus
- (iii) a rate per MMBtu for all gas transported and delivered to facilities of an End-use customer during a billing period equal to the sum of :

First 1,000 MMBtu @ \$2.40 per MMBtu
Over 1,000 MMBtu @ \$0.62 per MMBtu

(iv) Payments to Governmental authorities, as defined in this Rate Schedule and the General Terms.

EQUIVALENT QUANTITY OF NATURAL GAS

The term "Equivalent Quantity of Natural Gas" shall mean that quantity of natural gas which is thermally equivalent to the quantity of gas delivered or caused to be delivered by the Shipper to Company on any one day, less a quantity of natural gas equal to two percent (2%) for line loss and shrinkage when the Shipper is located downstream of a city gate meter station. No line loss or shrinkage will be retained by Company when the Shipper is located downstream of a farm tap meter station.

PAYMENTS TO GOVERNMENTAL AUTHORITIES

In addition to the amounts provided for above, Shipper shall reimburse Company for all Payments to Governmental Authorities paid by Company with respect to the transportation service and any other service provided under the Agreement, or which may be related to any associated facilities involved in the performance of the Agreement. If any Payment to a Governmental Authority is based upon the value of or price paid by an end-use customer receiving gas transported under the Agreement, then Shipper will notify Company of the price paid by such end-use customer to enable Company to calculate and pay all such fees and taxes to appropriate governmental authorities in a timely manner. If Shipper fails or refuses to notify Company of the purchase price of such gas within thirty (30) days from the date the related transportation service is provided, then Company will estimate the purchase price of such gas and make such payments to the governmental authority, and Company shall be reimbursed by Shipper for such amounts. In any event, Shipper will indemnify Company for, and hold Company harmless from, any and all claims, demands, losses, or expenses, including attorneys' fees, which Company may incur as a result of Shipper's failure or refusal to disclose the purchase price of gas transported under the Agreement.

OTHER CHARGES

Service under this Rate Schedule may be subject to additional charges as specified in the General Terms. These charges include, but are not limited to, charges related to telemetering and imbalances.

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BILLING AND PAYMENT

Company's invoices will be based on the quantity of MMBtu delivered by Company at each Delivery Point. Such bills shall be rendered promptly after the close of each billing period and shall be paid within five (5) days after the date the invoice is rendered. Company shall have the right to bill Shipper each month on the basis of nominated quantities or estimated quantities, provided that adjustments shall be made to such quantities in subsequent months' billings based on actual quantities delivered. Past due amounts shall bear interest from the due date until paid at the rate specified in the General Terms. Upon an Event of Default, as defined in the General Terms, Company may, upon five (5) days written notice to Shipper, suspend receipt and delivery of gas until Shipper has paid all past due amounts owed Company and has made credit arrangements satisfactory to Company.

NATURAL GAS ACT

Company shall not be obligated to transport any gas under this schedule if such transportation would render Company, in Company's sole determination, a "Natural Gas Company" under the Natural Gas Act, 15 U.S.C. §717 *et seq.*

WRITTEN SERVICE AGREEMENT

Service under this Rate Schedule shall be available only pursuant to a written Agreement between Company and Shipper, which provides, *inter alia*, that Shipper agrees to the abandonment of the service contemplated hereunder by Company on the date said contract expires.

CURTAILMENT

In the event of curtailment by Company of Company's customers, Company shall curtail deliveries to the facilities of the End-use Customer (without any liability to Shipper for damages or otherwise) at the Delivery Point in the same manner as Company's end-use customers of the same classification based on Company's then prevailing curtailment schedule. Company shall not curtail deliveries hereunder unless such curtailment will benefit Company's higher priority customers; provided, however, if any governmental or regulatory authority having jurisdiction over Company or its curtailment plan, by rule or order, establishes some other curtailment priority schedule or plan for Company, then Company shall comply with such rule or order (without any liability to Shipper for damages or otherwise).

MEASUREMENT

The parties shall establish proper methods of measurement at the Receipt Point. Measurement at the Delivery Point shall be in accordance with the General Terms. Volumes received at the Receipt Point and delivered at the Delivery Point will be adjusted to reflect Company's lost and unaccounted for gas and fuel as established by the Company from time to time for the Receipt Point and Delivery Point set forth in the Agreement and the General Terms.

GENERAL TERMS AND CONDITIONS

Service under the Rate Schedule is furnished in accordance with the Company's *General Terms and Conditions for Transportation Service*, as amended from time to time.