

**TEXARKANA, TEXAS SERVICE AREA**

Original

Sheet No. 1-5.1/6

Replacing:

Sheet No.

CenterPoint Energy Resources Corp.

d/b/a CenterPoint Energy Arkansas Gas

(Name of Company)

Kind of Service: Natural Gas Class of Service: Small

Commercial

PART I – Rate Schedule No. 5

**Title: SMALL COMMERCIAL FIRM SALES  
SERVICE—OFF-PEAK (SCS-2)**

Effective: January 11, 2008

**5. SMALL COMMERCIAL FIRM SALES SERVICE—OFF-PEAK (SCS-2)**

5.1. AVAILABILITY

5.1.1. This rate schedule is available at points of adequate capacity and suitable pressure on the Company's existing facilities. This rate schedule is available to any consumer engaging in business, professional, institutional, agricultural or other non-residential activity supplied at an individually metered point of delivery for all uses of gas. Natural gas supplied hereunder is for the individual use of the customer at the point of delivery and shall not be resold or shared with others. Standby Service is not available under this rate schedule.

5.1.2. Gas consumption under this rate schedule is limited to 365,000 Ccf in any 12 consecutive month period. In at least one of the two preceding calendar years, the customer must have consumed 80% of the September 1 through August 31 annual volume in the April through October billing periods and it's September 1 through August 31 annual consumption for that year must have exceeded 99 Ccf. In the case of new customers or customers who anticipate changing their usage pattern, this rate will be available if a reasonable projection of their volumes in the upcoming year indicates they will use 80% of their September 1 through August 31 annual volume in the April through October billing periods and that their September 1 through August 31 annual consumption will exceed 99 Ccf. If at any time, it is anticipated based on the Company's estimate, that the customer will consume in excess of 365,000 Ccf per year in the succeeding 12 consecutive month period, the customer shall become subject to the applicable large commercial firm service rate schedule.

5.1.3. Company has historically allowed the volume usage of meters at business facilities under common ownership and subject to this rate schedule to be aggregated for the sole purpose of establishing eligibility for

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transportation as referenced in Part 3.1.3. of Rate Schedule LCS-1. Customers historically qualifying for transportation under this aggregation provision shall remain subject to the rates and charges under this rate schedule in addition to any additional specific rates, charges, or adjustment riders peculiar to the Transportation Supply Option set out in Rate Schedule LCS-1, such as, but not limited to, administrative fees. Customers aggregating volume shall be subject to all provisions and policies governing TSO option customers as specified in LCS-1, except as provided for herein. Although no aggregation will be allowed for eligibility, the ability to aggregate for eligibility purposes at existing and new locations shall remain unchanged for transportation customers eligible under such aggregation provision prior to September 21, 2002. Future aggregation for the purpose of qualification, except as otherwise referenced herein, is prohibited. Each individual account of historically qualified customers shall be treated as a separate account and shall be subject to the same rates and charges under the originating SCS-2 or LCS rate schedule, and are additionally subject to any specific rates, charges or riders specific to the TSO.

For the purpose of establishing eligibility for the Transportation Supply Option (“TSO”) defined in the LCS rate schedule, customers experiencing or anticipating an average daily demand of 25 MMBtu per day during the preceding or succeeding twelve months will be eligible for the TSO. Customers qualifying for transportation who choose the TSO shall be subject to rates and charges under the SCS-2 rate schedule, and are additionally subject to any additional specific rates, charges or riders specific to the TSO.

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5.1.4. Customers converting from transportation service to sales service will be required to contract for such sales services between the months of February through April preceding the expiration of the primary or any succeeding term of the Customer's existing contract. Customers seeking to contract for sales service during the required time frame will be allowed to convert to sales service provided that the Company is able to secure firm upstream transportation capacity and other upstream pipeline services sufficient to meet the Customer's needs. Any such conversion will be effective upon the expiration of the term of the Customer's existing contract, unless the Company and the Customer agree otherwise.

5.1.5. Seasonal Transportation. Customer facilities experiencing more than 80% of annual load during the flow months April through October, and who experience or anticipate an average daily demand of more than 25 MMBtu per day during any consecutive 30-day period of the preceding or succeeding April through October, are eligible to transport on a seasonal basis. Customers meeting the aforementioned criteria may elect the TSO option and choose a subsequent return to the SSO option only once during the calendar year. Customers electing the TSO option on a seasonal basis, pursuant to notice given prior to May 31<sup>st</sup> or thirty days prior to commencement of service, whichever is earlier, may receive transportation service for a continuous period of at least 30 days between April 1 and October 31. Customers electing the TSO option on a seasonal basis are subject to the TSO contract administration fee. Additionally, each participating location shall pay a \$300 set-up fee upon initial election and upon any subsequent return to transportation service.

5.2. RATES

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5.2.1. Each customer receiving service under this rate schedule shall be charged the sum of (a) and (b):

(a) Distribution Rate for customers electing the SSO option:

First 1,500 Ccf per Month at	\$0.20857 per Ccf
Next 13,500 Ccf per Month at	\$0.11479 per Ccf
Over 15,000 Ccf per month at	\$0.04921 per Ccf

Distribution Rate for customers electing the TSO option:

First 150 MMBtu at	\$2.05269 per MMBtu
Next 1,350 MMBtu at	\$1.12973 per MMBtu
Over 1,500 MMBtu at	\$0.48431 per MMBtu

(b) Gas Supply Rate – The Gas Supply Rate will be calculated and adjusted periodically as defined in the Company’s Gas Supply Rate Rider. Customers qualifying for service under this rate schedule will pay for their upstream demand related charges on a volumetric basis as provided for in the Company’s Gas Supply Rate Rider.

5.2.2. Rates for customers historically qualifying for service under the Part 5.1.3. aggregation provision and customers qualifying for transportation under this rate schedule will be subject to thermal adjustment. Delivered volumes will be adjusted by the appropriate thermal content factor obtained from the nearest available chromatograph or sampling location (Ccf / 10) x thermal content factor = MMBtu).

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5.3. TELEMETERING

5.3.1. Customers electing and qualifying for transportation service shall be responsible for the full installed cost of telemetry equipment of standard make and manufacture to determine hourly and daily flow at customer's point of delivery. In the event customer has in place working telemetering facilities and equipment; and the customer receives system supply service; and Company determines it necessary to keep the telemeter(s) operational, Company will arrange and pay for the associated telecommunications cost while the customer receives sales service under this rate schedule. Customers electing seasonal transportation service pursuant to Part 5.1.4. shall be responsible for the full installed cost of telemetry equipment of standard make and manufacture to determine hourly and daily flow at customer's point of delivery.

5.3.2. Customer shall be responsible for installing and maintaining telecommunication lines. Should customer fail to maintain or repair telecommunication lines required to communicate with telemetry equipment, Company shall have the right to bill customer all labor and expense required to manually read the meter, at whatever intervals the Company may deem necessary.

5.4. RIDERS

5.4.1. In addition to the Gas Supply Rate Rider, the following riders are applicable to service under this rate schedule:

<u>Rider Name</u>	<u>Description</u>	<u>Identification on Customer Bills</u>
MRP	Main Replacement Program	Base Rate Adjustment

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TA	Municipal Tax Adjustment	Municipal Franchise Adjustment
WNA	Weather Normalization Adjustment	Weather Normalization Adjustment
BDA	Trial Billing Determinant Rate Adjustment	Billing Determinant Rate Adjustment
EECR	Energy Efficiency Cost Recovery Rider	Energy Efficiency Cost Rate

5.4.2. Service will be rendered under this rate schedule until service is discontinued to customer, the customer no longer qualifies for service under the SCS-2 rate schedule, but qualifies for service under the Small Commercial Firm Service (SCS-1) rate schedule, the customer qualifies for service under the Large Commercial Firm Service rate schedule, or the schedule is superseded.

**5.5. RULES AND REGULATIONS GOVERNING UTILITY SERVICE**

5.5.1. The Commission's Special Rules of Practice and Procedure and Substantive Rules and the Company's Standard Rules and Regulations, as the same may from time to time be changed in accordance with the law, shall be applicable to service under this rate schedule.