

TEXARKANA, TEXAS SERVICE AREA

Original Sheet No. 2-3.1/2

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: All

PART II – Rider Schedule No. 3

Title: MUNICIPAL TAX ADJUSTMENT CLAUSE (TA)

Effective: January 11, 2008

3. MUNICIPAL TAX ADJUSTMENT CLAUSE (TA)

3.1. The Company will pass on Municipal Taxes to Local Customers by adding to each monthly bill rendered a Local Customer as a separate line item identified as “Municipal Franchise Adjustment,” an amount calculated on an equal-per-meter basis determined in accordance with the following:

3.1.1. As used herein, the term “City Tax,” or “Municipal Tax,” refers to any and all privilege, occupation, franchise meter, gross receipts or other tax or assessment of whatever kind and by whatever name (except ad valorem taxes) now and at any time hereafter levied on, the Company by any Municipality.

3.1.2. “Municipality” refers to the local taxing authority imposing the Municipal Tax, whether city, town, village, unincorporated association, district, county or other authority authorized to impose same under present or future law.

3.1.3. “Local Customers” refers to any and all residential and general service customers in Texas that are within the geographical boundaries or taxing authority of the Municipality; provided, that if a particular tax ordinance or other act imposing the Municipal Tax includes in its taxing impact any service locations that would otherwise not be considered a “Local Customer” hereunder, then such service will be included in the term Local Customer.

3.2. Notwithstanding the above, if a particular tax ordinance or other act imposing the Municipal Tax specifies a method of payment of collection other than on an equal-per-meter basis, then the method so specified shall be utilized provided such method results in the collection of taxes from Local Customers equal to the

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taxes levied on the Company.

- 3.3. The Company, upon receipt of a certified copy of the approved municipal ordinance will initiate the pass-on of any increase or decrease in taxes subject to this clause beginning with the billing cycle immediately following receipt of the ordinance, and upon the availability of customer billing data necessary to initiate or to revise the calculation of the pass-on.
- 3.4. If at any time there is a significant change in any of the above determining factors which will cause an unreasonable over or under collection of Municipal Taxes, the Company will adjust the amount collected so that such over or under collection will be minimized.
- 3.5. APPLICABLE RATE SCHEDULES:
Residential Firm Sales Service (RS-1)
Small Commercial Firm Sales Service (SCS-1)
Small Commercial Firm Sales Service—Off-Peak (SCS-2)
Large Commercial Firm Service (LCS-1)
Unmetered Gas Light Firm Sales Service (GL-1)