

ARKANSAS PUBLIC SERVICE COMMISSION

Replacing: First Revised Sheet No. 4-6.1/7
Original Sheet No. 4-6.1/7

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Arkansas Gas
(Name of Company)

Kind of Service: Natural Gas Class of Service: Residential
and Small Commercial

PART IV – Rider Schedule No. 6

**Title: TRIAL BILLING DETERMINANT RATE ADJUSTMENT
TARIFF (BDA TARIFF)**

PSC File Mark Only

6. TRIAL BILLING DETERMINANT RATE ADJUSTMENT TARIFF (BDA TARIFF)

6.1. PURPOSE

The purpose of the Trial Billing Determinant Rate Adjustment Tariff (“BDA TARIFF”) is to account for a decline in billing determinants, which results in a decline in Non-Gas Revenues (“Base Revenues”) by CenterPoint Energy Arkansas Gas (“Company”) subsequent to rates being established in Docket No. 06-161-U. During the trial period described in Paragraph 6.3, the base revenues in any given evaluation period shall be compared to the base revenues as approved in the Final Rate Case Order in Docket No. 06-161-U. To the extent that a revenue shortfall exists, the BDA TARIFF rate adjustment shall be determined as set forth in Paragraph 6.4.3 Methodology.

The impact on revenues resulting from changes in bill volumes due to actual heating degree days being higher or lower than normal heating degree days is accounted for through the Weather Normalization Adjustment Rider (WNA).

No rate adjustment shall be made to an applicable rate classification (BDA TARIFF will be zero) if:

- i. The actual Base Revenues for any applicable rate classification for the Evaluation Period is equal to or greater than the corresponding rate classification Base Revenues established in the Final Rate Case Order in Docket No. 06-161-U; or,
- ii. The allocated Revenue Surplus for any applicable rate classification is greater than the Initial Revenue Shortfall for that rate classification.

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Replacing: Second Revised Sheet No. 4-6.2/7
First Revised Sheet No. 4-6.2/7

CenterPoint Energy Resources Corp.
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Kind of Service: Natural Gas Class of Service: Residential
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The BDA TARIFF as described in this rider shall apply to the Residential Firm Sales Service (RS-1), Small Commercial Firm Sales Service (SCS-1), Small Commercial Firm Sales Service—Off-Peak (SCS-2) rate classes, and Small Commercial Firm Sales Service—Pilot NGV (SCS-3).

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6.2 EVALUATION REPORT FILING AND REVIEW

No later than April 1, 2009, and then no later than April 1 of each year thereafter until such time the BDA TARIFF terminates as discussed in Paragraph 6.3 Expiration of Rider, the Company shall file annually with the Commission an Evaluation Report (“Evaluation Report”) prepared in accordance with the provisions of Paragraph 6.4 Annual Billing Determinant and Base Revenue Analysis. The Company shall provide the Staff with workpapers supporting the data and calculations reflected in the Evaluation Report including (1) the Billing Determinant Reconciliation Report, (2) the Monthly Unbilled Journal Report, (3) the Profit Center Report for Arkansas, (4) a reconciliation of unbilled journals to unbilled general ledger accounts worksheet and (5) a Monthly Climate Report. The Staff may request clarification and additional data.

At the time the Company files the Evaluation Report, it shall also file with the Commission its current Revenue Reconciliation Report as directed by the Commission in Order No. 9 of Docket No. 01-243-U. This report shall be consistent with the time period covered in the current Evaluation Period.

The applicable rate adjustment under the BDA TARIFF shall be effective with the meters read on or after June 1 of the year in which the Evaluation Report is filed and terminate with the bills rendered for the meters read on May 31 of the subsequent year.

In the event the Staff disputes any portion of the rate adjustment proposed, the BDA TARIFF shall become effective for the undisputed portion of BDA TARIFF

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Replacing: Fourth Revised Sheet No. 4-6.3/7
Third Revised Sheet No. 4-6.3/7

CenterPoint Energy Resources Corp.
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Kind of Service: Natural Gas Class of Service: Residential
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PART IV – Rider Schedule No. 6

**Title: TRIAL BILLING DETERMINANT RATE ADJUSTMENT
TARIFF (BDA TARIFF)**

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rate adjustment with the meters read on or after June 1. However, to the extent that the Commission ultimately supports a finding in excess of the undisputed portion, the unrecognized portion of the increase shall be collectable.

Any initially contested amounts that are ultimately supported by the Commission shall be recoverable during the current annual collection period unless ratepayer impact would indicate that the recovery timeframe be lengthened, in which case the recovery period will not exceed twelve months.

The Company shall record its best estimate of the amounts to be recognized under the BDA TARIFF so as to reflect in its books and records a fair representation of actual earnings. Such estimate shall be adjusted, if necessary, upon filing the BDA TARIFF computations with the Commission, and again upon final Commission approval.

6.3. EXPIRATION OF RIDER

The BDA TARIFF shall be effective for the calendar year Evaluation Periods from January 1, 2008 through December 31, 2014. The collection of amounts under the BDA TARIFF shall be effective from June 1, 2009 until May 31, 2016, unless extended under 6.2. However, the Company may request authorization to extend the trial period. Such an application shall be supported by testimony substantiating continued benefits to ratepayers.

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ARKANSAS PUBLIC SERVICE COMMISSION

Replacing: Fifth Revised Sheet No. 4-6.4/7
Fourth Revised Sheet No. 4-6.4/7

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Arkansas Gas
(Name of Company)

Kind of Service: Natural Gas Class of Service: Residential
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PART IV – Rider Schedule No. 6

**Title: TRIAL BILLING DETERMINANT RATE ADJUSTMENT
TARIFF (BDA TARIFF)**

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If the Company files an application for a general rate change with the Commission after December 31, 2010 but before December 31, 2014, then:

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- i. the BDA TARIFF rate adjustments then in place shall continue through the end of the twelve-month collection period.
- ii. the Company will be allowed to make additional BDA Tariff filings to include the portion of evaluation periods of calendar years 2010, 2011, 2012, 2013 and 2014 through the implementation of new rates and to collect any BDA tariff rate adjustments calculated under the BDA TARIFF.
- iii. no additional filings under the BDA TARIFF shall be allowed.

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6.4. ANNUAL BILLING DETERMINANT AND BASE REVENUE ANALYSIS

6.4.1. EVALUATION PERIOD

The annual Evaluation Period shall reflect the twelve-month period ended December 31 immediately preceding the filing of the associated Evaluation Report. All data provided in the Evaluation Report shall be based on actual results for the Evaluation Period as recorded on the books of the Company in accordance with the Uniform System of Accounts.

6.4.2. EVALUATION PERIOD ADJUSTMENTS

Actual (per book) data for each Evaluation Period shall be adjusted to exclude the revenues associated with the Main Replacement Program Rider (MRP), Gas Supply Rate Rider (GSR), Municipal Tax Adjustment (TA), the BDA TARIFF, energy efficiency rider (except for the Lost Contributions to Fixed Cost (LCFC) component, which shall be included), Government Mandated Expenditure Surcharge Rider (GMES), and non-rate class specific revenues.

ARKANSAS PUBLIC SERVICE COMMISSION

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|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Replacing: <u>Second Revised</u> <u>First Revised</u> | Sheet No. <u>4-6.5/7</u> Sheet No. <u>4-6.5/7</u> |
| <u>CenterPoint Energy Resources Corp.</u> <u>d/b/a CenterPoint Energy Arkansas Gas</u> (Name of Company) | |
| Kind of Service: <u>Natural Gas</u> | Class of Service: <u>Residential</u> <u>and Small Commercial</u> |
| PART IV – Rider Schedule No. 6 | |
| Title: TRIAL BILLING DETERMINANT RATE ADJUSTMENT TARIFF (BDA TARIFF) | |

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6.4.3. METHODOLOGY

The BDA TARIFF adjustment amount for any Evaluation Period shall be determined in accordance with the methodology set out in Attachment A. Actual (per book) data shall be utilized for each Evaluation Period, subject to the weather normalization of weather-sensitive gas sales, as determined in accordance with the weather normalization methodology set out in Attachment B.

- i. If the actual non-gas revenues from the Evaluation Period for each rate class included (RS-1, SCS-1, SCS-2, and SCS-3) and shown on Attachment A are equal to or greater than the Benchmark Value non-gas revenues for these same rate classifications, also shown on Attachment A, then the BDA TARIFF adjustment for that class shall be set to zero. AT

- ii. Any Revenue Surplus by rate classification included shall be netted against any Initial Revenue Shortfall that might exist in any other rate classification(s) also included.

- iii. If as determined on Attachment A, a Revenue Surplus exists in any of the rate classes non-applicable to the BDA TARIFF, the Revenue Surplus shall be netted against any eligible Revenue Shortfall that exists in the Residential and Small Commercial (SCS-1, SCS-2, and SCS-3) rate classes. In the event that a Revenue Shortfall exists in more than one of the applicable rate classes, then the Revenue Surplus from the non-applicable rate classes shall be netted against the Revenue Shortfalls in the applicable rate classes on a pro-rata basis. AT

ARKANSAS PUBLIC SERVICE COMMISSION

Replacing: Third Revised Sheet No. 4-6.6/7
Second Revised Sheet No. 4-6.6/7

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Arkansas Gas
(Name of Company)

Kind of Service: Natural Gas Class of Service: Residential
and Small Commercial

PART IV – Rider Schedule No. 6

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TARIFF (BDA TARIFF)**

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6.5. DEFINITION OF TERMS

6.5.1. NON-GAS REVENUES

The actual (per book) data for each Evaluation Period, adjusted to exclude the revenues associated with the MRP, GSR, TA, the BDA TARIFF, energy efficiency rider (except for the LCFC component, which shall be included in non-gas revenues), Government Mandated Expenditure Surcharge Rider (GMES), and non-rate class specific revenues.

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6.5.2. INITIAL REVENUE SHORTFALL

The Initial Revenue Shortfall for any applicable rate classification included herein for the Evaluation Period, if any, shall be determined using the Initial Revenue Shortfall formula set out in Section 1 of Attachment A.

6.5.3. FINAL REVENUE SHORTFALL

The Final Revenue Shortfall for any applicable rate classification included for the Evaluation Period, if any, shall be determined using the methodology set out in Section 2 of Attachment A.

6.5.4. REVENUE SURPLUS

The Revenue Surplus for any applicable rate classification included during the Evaluation Period, if any, shall be determined using the Revenue Surplus Formula set out in Section 2 of Attachment A.

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Kind of Service: Natural Gas Class of Service: Residential
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6.5.5. EVALUATION PERIOD VOLUMES

The Evaluation Period Volumes for the calendar year shall be the volumes associated with the non-gas revenues reported on the Company's books and records.

6.5.6. BENCHMARK VALUE

For the purposes of this rider, the Benchmark Value shall mean the annual non-gas rate schedule requirement established in the Final Rate Case Order in Docket No. 06-161-U for ratemaking purposes.¹

6.5.7. WEATHER NORMALIZATION OF GAS SALES

The Weather Normalization of weather sensitive gas sales and transportation volumes by rate classification shall be determined using the Weather Normalization Formula set out in Attachment B. The weather normalized volumes for a rate classification shall be divided into the Final Revenue Shortfall for that rate classification to determine the BDA TARIFF rate adjustment for that rate classification.

6.6. 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)
- Small Commercial Firm Sales Service—Pilot NGV (SCS-3)

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¹ Such revenues are exclusive of the allocated Special Contract revenues and the reallocated Transportation Administration Fee revenues.

CENTERPOINT ENERGY RESOURCES CORPORATION
DETERMINATION OF TRIAL BILLING DETERMINANT RATE ADJUSTMENT TARIFF
EVALUATION PERIOD ENDING _____

SECTION 1

CLASS REVENUE TEST

| DESCRIPTION | REFERENCE | Residential | Small Commercial | Large Commercial |
|--------------------------------------------------------------------------|------------------------|----------------------|----------------------|------------------|
| 1 Non-Gas Revenues - Evaluation Period | Per Books | \$ - | \$ - | \$ - |
| 2 Non-Gas Rate Schedule Requirement | Docket No. 06-161-U | \$ - | \$ - | \$ - |
| 3 Initial Revenue Shortfall | Line 1 - Line 2 | NA | NA | \$ - |
| 4 If Line 3 < 0, then Go to Section 2, Otherwise No Adjustment | | No Adjustment | No Adjustment | NA |

Note: Large Commercial non-gas revenues on Line 1 will be the larger of either the authorized LCS non-gas rate schedule requirement from Docket No. 06-161-U or the actual LCS non-gas revenues.

SECTION 2

TRIAL BILLING DETERMINANT RATE ADJUSTMENT TARIFF (BDA TARIFF) CALCULATION

| DESCRIPTION | REFERENCE | Residential | Small Commercial | Large Commercial |
|--------------------------------------|---------------------------|--------------|------------------|------------------|
| 5 Revenue Surplus | Line 1 - Line 2 | \$ - | \$ - | \$ - |
| 6 Revenue Surplus Allocation Factors | Line 5 / Σ Line 3 | 0% | 0% | NA |
| 7 Revenue Surplus Allocation | Line 6 * Σ Line 5 | \$ - | \$ - | NA |
| 8 Final Revenue Shortfall | Line 3 + Line 7 | \$ - | \$ - | NA |
| 9 Weather Normalized Volumes | Line 11 | 0 Ccf | 0 Ccf | NA |
| 10 BDAC Calculation | -(Line 8 / Line 9) | \$ - per Ccf | \$ - per Ccf | NA |

SECTION 3 (For Informational Purposes Only)

| Line No. | DESCRIPTION | REFERENCE | Residential | Small Commercial | Large Commercial |
|----------|------------------------------------|--------------------------------|---------------|------------------|------------------|
| 11 | Gas Volumes - Evaluation Period | Per Books Adjusted for Weather | 0 Ccf | 0 Ccf | 0 Ccf |
| 12 | Gas Volumes - Benchmark Value | Docket No. 06-161-U | 0 Ccf | 0 Ccf | 0 Ccf |
| 13 | Volume Deficiency | Line 11 - Line 12 | NA Ccf | NA Ccf | NA Ccf |
| 14 | Customer Count - Evaluation Period | Per Books | 0 | 0 | 0 |
| 15 | Customer Count - Benchmark Value | Docket No. 06-161-U | 0 | 0 | 0 |
| 16 | Customer Count Deficiency | Line 14- Line 15 | NA | NA | NA |

**CENTERPOINT ENERGY RESOURCES CORPORATION
CALCULATION OF WEATHER ADJUSTMENT FACTOR
EVALUATION PERIOD ENDING _____**

| Residential | | (1) | (2) | (3) = (2) - (1) | (4) | (5) = (3) * (4) | (6) | (7) = (5) * (6) Weather Adjustment Factor |
|--------------------|-----------|------------------------------------|---------------|--------------------|---------------|--------------------|----------------------|-------------------------------------------------------|
| Line No. | Month | Evaluation Period Actual HDD | Normal HDD | HDD Variance | HDD FACTOR | UPC Adjust | Monthly Customers | |
| 1 | January | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 2 | February | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 3 | March | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 4 | April | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 5 | May | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 6 | June | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 7 | July | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 8 | August | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 9 | September | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 10 | October | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 11 | November | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 12 | December | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 13 | Annual | 0 | 0 | 0 | | | | 0 |

| Small Commercial | | Evaluation Period Actual HDD | Normal HDD | HDD Variance | HDD Factor | UPC Adjust | Monthly Customers | Weather Adjustment Factor |
|-------------------------|-----------|------------------------------------|---------------|-----------------|---------------|---------------|----------------------|---------------------------------|
| Line No. | Month | | | | | | | |
| 14 | January | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 15 | February | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 16 | March | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 17 | April | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 18 | May | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 19 | June | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 20 | July | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 21 | August | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 22 | September | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 23 | October | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 24 | November | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 25 | December | 0 | 0 | 0 | 0.0000 | 0.00 | 0 | 0 |
| 26 | Annual | 0 | 0 | 0 | | | | 0 |