

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Oklahoma Gas
602 SW A Avenue
Lawton, Oklahoma 73501

Third Revised Sheet No. 3-1.1/10

(866) 275-5265 toll-free
(580) 351-9601

Cancelling Second Revised Sheet No. 3-1.1/10

Applies to State of Oklahoma

RIDER SCHEDULE NO. 1
GAS SUPPLY RATE (GSR)

1. GAS SUPPLY RATE (GSR)

1.1. GENERAL

1.1.1. Rider GSR is comprised of two distinct types of supply acquisition-related costs: the Gas Supply Rate-Commodity (G-1) and the Gas Supply Rate-Demand (G-2). The costs will be calculated separately for each respective rate schedule to which Rider GSR is applicable. The G-1 and G-2 rates will be further defined for Residential, GS-1, and eligible CS-1 customer classifications to include an option for a Voluntary Fixed Price Option (VFPO).

1.2. APPLICATION TO RATE SCHEDULES

1.2.1. Each year, on or before October 25, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Oklahoma Gas (Company) will submit to the Oklahoma Corporation Commission a calculation of the Company's estimated annual average cost per billing determinant (Base Cost) for the Demand (G-2) costs. In addition, each year, on or before March 25 and October 25, Company will submit to the Oklahoma Corporation Commission a calculation of the Company's estimated average seasonal cost per billing determinant (Base Cost) for the Commodity (G-1) costs, inclusive of a breakdown that identifies both the standard and VFPO G-1 rate for the Residential, GS-1 and eligible CS-1 classes, based on prospective or pre-existing gas prices. For purposes of calculations in this Section, the CS-NGV class will be combined with the CS-1 class. In addition, the October 25 submittal will include a calculation of a per unit adjustment (Surcharge) to be collected/credited through the G-1 component, which will include charges plus interest calculated using the Oklahoma Corporation Commission-approved customer deposit rate, in order to refund or collect any balance in the differential account for rate class, and for each respective gas supply rate type over an appropriate time period, generally a forward twelve (12) month period. This Surcharge will be applicable to only the standard Residential, GS-1, CS-1 and CS-NGV

| | | |
|--|--------------------------------|--------------------|
| Rates Authorized by the Oklahoma Corporation Commission: | Public Utility Division Stamp: | |
| (Effective) | (Order No.) | (Cause/Docket No.) |

| | | |
|-------------------|--------|---------------|
| May 23, 2014 | 625254 | PUD 201400005 |
| January 1, 2008 | 548318 | PUD 200700406 |
| May 31, 2005 | 506098 | PUD 200500107 |
| December 29, 2004 | 499253 | PUD 200400187 |

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Oklahoma Gas
602 SW A Avenue
Lawton, Oklahoma 73501

Third Revised Sheet No. 3-1.2/10

(866) 275-5265 toll-free
(580) 351-9601

Cancelling Second Revised Sheet No. 3-1.2/10

Applies to State of Oklahoma

customer classes and will not be applicable to customers choosing the VFPO. The Base Cost and Surcharge for the G-1 and the Base Cost for the G-2 charges shall be effective for customer bills with ending read-dates beginning on or after November 1 or the following April 1, as applicable, and remain effective through the next October 31 or March 31, as applicable, unless revised by the Company due to a significant change in its supplier rates or prices and/or sources of supply and/or service levels and/or projected annual volumes. If such revision is necessary, the Company will calculate the revised Base Cost and Surcharge for the G-1 component and the Base Cost for the G-2 charge and submit to the Oklahoma Corporation Commission the revised G-1 and G-2 charges, to be effective for customer billings, with ending read-dates as applicable, in the month following the month in which Company submits the revision to the Oklahoma Corporation Commission.

- 1.2.2. The Lost, Used, and Unaccounted for Gas (LUFG) shall be recalculated annually in October of each year, based upon a two year average of the actual LUFG experienced by the Company for the two most recent twelve-(12)-month-ending-August 31 periods, and expressed as a current percentage. If the recalculated current percentage is less than or equal to 2.5%, then the Company will be permitted to include the gas costs associated with that percentage in the October 25 recalculation of the G-1 component pursuant to Section 1.2.1, and no additional filings will be required to justify the LUFG percentage included in rates. If the recalculated current percentage is greater than 2.5%, then the Company will be permitted to include only the gas costs associated with 2.5% in its October 25 recalculation of the G-1 component, unless the Company receives Commission approval to include any LUFG percentage amounts in excess of 2.5%. Notwithstanding the foregoing, either the Attorney General or the Public Utility Division Staff may file an application with the Commission to initiate an inquiry into the reasonableness of any recalculated LUFG percentage equal to or below 2.5%. A LUFG percentage permitted to go into effect pursuant to this Section shall remain

| Rates Authorized by the Oklahoma Corporation Commission: (Effective) | (Order No.) | Public Utility Division Stamp: (Cause/Docket No.) |
|---|-------------|--|
|---|-------------|--|

| | | |
|-------------------|--------|---------------|
| May 23, 2014 | 625254 | PUD 201400005 |
| January 1, 2008 | 548318 | PUD 200700406 |
| May 31, 2005 | 506098 | PUD 200500107 |
| December 29, 2004 | 499253 | PUD 200400187 |

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Oklahoma Gas
602 SW A Avenue
Lawton, Oklahoma 73501

Third Revised Sheet No. 3-1.3/10

(866) 275-5265 toll-free
(580) 351-9601

Cancelling Second Revised Sheet No. 3-1.3/10

Applies to State of Oklahoma

in effect until a different percentage has been calculated and approved by Commission order or until the next October 25 submittal. If the excess amount, or a portion thereof, is not approved by the Commission, then the customers will not be charged for any amounts not approved. In any event, the Company will include with its annual October 25 GSR submittal a schedule that calculates the revised LUFG percentage based on the two most recent twelve-(12)-month-ending-August periods.

- 1.2.3. When calculating the LUFG percentage, and specifically when allocating LUFG between sales and transportation customers, the volumes associated with Special Contract Customers will be included only if the Special Contract identifies the LUFG component included in the contract. To the extent that the LUFG component is included in the contract, the calculation will use the methodology of LUFG assignment as outlined in the contract. An applicable Fuel-In-Kind percentage will be calculated for use in assessing LUFG costs to transportation customers who are not served via a Special Contract Rate. The LUFG fuel percentage to be provided by transports will be based on the most recent two-years-ended-August average LUFG allocable to the transports. This dollar value will be divided by the projected annual weighted average cost of gas from the November Annual GSR Submittal to calculate a volume requirement from the transports. The LUFG fuel percent is calculated by dividing this volume requirement by the sum of the two-year average transportation volumes and the LUFG volume requirement.

1.3. DEFINITIONS

1.3.1. Commodity G-1

1.3.1.1. The standard Gas Supply Rate-Commodity (G-1) for each applicable rate schedule is the sum of the following, rounded to the nearest one-hundredth cent per Ccf or MMBtu as applicable:

- A. The Base Rate is determined to be the quotient of (i) the projected seasonal Gas Supply Rate-Commodity cost applicable to the rate

| Rates Authorized by the Oklahoma Corporation Commission: (Effective) | (Order No.) | Public Utility Division Stamp: (Cause/Docket No.) |
|---|-------------|--|
|---|-------------|--|

| | | |
|--------------------------|---------------|----------------------|
| <u>May 23, 2014</u> | <u>625254</u> | <u>PUD 201400005</u> |
| <u>January 1, 2008</u> | <u>548318</u> | <u>PUD 200700406</u> |
| <u>May 31, 2005</u> | <u>506098</u> | <u>PUD 200500107</u> |
| <u>December 29, 2004</u> | <u>499253</u> | <u>PUD 200400187</u> |

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Oklahoma Gas
602 SW A Avenue
Lawton, Oklahoma 73501

Third Revised Sheet No. 3-1.4/10

(866) 275-5265 toll-free
(580) 351-9601

Cancelling Second Revised Sheet No. 3-1.4/10

Applies to State of Oklahoma

schedule divided by (ii) the projected seasonal commodity-related billing determinants applicable to the rate schedule, (specifically with the denominator excluding the commodity-related billing determinants applicable to the TSO and Special Contracts, and with the numerator including the costs attributable to the current LUFG percentage as calculated in paragraph 1.2.2., and with the CS-NGV rate schedule's volumes and associated costs combined respectively with the CS-1 rate schedule's volumes and commodity-related costs), plus

- B. The Surcharge is determined to be the quotient of (i) the balance in the differential account composed of the accumulated net over/under recoveries from the G-1 and G-2 charges applicable to the rate schedule (plus for a one-year transition period, the trailing LUFG costs), divided by (ii) the projected annual commodity-related billing determinants applicable to the rate schedule (with the CS-NGV rate schedule's accumulated net over/under recoveries and volumes included with the CS-1 rate schedule's accumulated over/under costs and volumes).

1.3.1.2. The Voluntary Fixed Price Option (VFPO) Gas Supply Rate-Commodity (G-1) for each applicable rate schedule is the sum of the following, rounded to the nearest one-hundredth cent per Ccf or MMBtu as applicable (for purposes of establishing VFPO G-1 pricing, the CS-1 and CS-NGV classes will be combined and considered as one class):

- A. The Base Rate is determined to be the weighted average of the Fixed Price Gas Commodity Charges in place on August 1 of each year. These Fixed Price Commodity Charges will include:
- a. Fixed Price Gas Supply Contracts;
 - b. Financial Transactions that equate to the fixing of a certain supply of gas; and

| Rates Authorized by the Oklahoma Corporation Commission: (Effective) | (Order No.) | Public Utility Division Stamp: (Cause/Docket No.) |
|---|-------------|--|
|---|-------------|--|

| | | |
|--------------------------|---------------|----------------------|
| <u>May 23, 2014</u> | <u>625254</u> | <u>PUD 201400005</u> |
| <u>January 1, 2008</u> | <u>548318</u> | <u>PUD 200700406</u> |
| <u>May 31, 2005</u> | <u>506098</u> | <u>PUD 200500107</u> |
| <u>December 29, 2004</u> | <u>499253</u> | <u>PUD 200400187</u> |

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Oklahoma Gas
602 SW A Avenue
Lawton, Oklahoma 73501

Fifth Revised Sheet No. 3-1.5/10

(866) 275-5265 toll-free
(580) 351-9601

Cancelling Fourth Revised Sheet No. 3-1.5/10

Applies to State of Oklahoma

- c. The average price of the storage in place as weighted for the estimated withdrawals in November through March.
- d. Increased to include LUFG at the most recently used LUFG percentage (either from the prior October 25 submittal, or if greater than 2.5%, the rate approved by the Commission).

This rate must be calculated prior to the November submittal each year because customers must be notified of their alternative to choose the VFPO during the months of August and September. A full explanation of this calculation, and the pieces of the above fixed price components that were in place as of August 1 will be provided in the annual November submittal.

- 1.3.2. Gas Supply Rate-Demand (G-2) for each applicable rate schedule is equal to the following rounded to the nearest one-hundredth cent per Ccf. The Base Rate is determined to be the quotient of the projected annual Gas Supply Rate-Demand applicable to the rate schedule, whereby the demand costs for the CS-1 rate schedule will be reduced by the anticipated demand revenue paid by CS-NGV customers, divided by: (i) the projected annual commodity-related billing determinants for rate schedules RS-1, GS-1 and CS-1; and (ii) the projected annual capacity-related billing determinants applicable to rate schedule LCS-1 (specifically excluding the capacity-related billing determinants applicable to the TSO and Special Contracts. The Base Rate will be a fixed rate of \$0.0403 per Ccf for the CS-NGV rate schedule. Since there will be less information available when the VFPO is calculated using August 1 data, the rate may vary slightly from the final rate filed for the winter period. To the extent that there is a difference, a report detailing the calculation for the VFPO will be filed in the annual November filing.
- 1.3.3. Gas Supply Rate-Commodity is the portion of Total Gas Supply Rate that is billed to Company in the form of charges per unit volume or heat

| Rates Authorized by the Oklahoma Corporation Commission: | | | Public Utility Division Stamp: |
|--|-------------|--------------------|--------------------------------|
| (Effective) | (Order No.) | (Cause/Docket No.) | |
| May 23, 2014 | 625254 | PUD 201400005 | |
| January 1, 2008 | 548318 | PUD 200700406 | |
| January 1, 2007 | 533628 | PUD 200600342 | |
| January 1, 2006 | 517009 | PUD 200500445 | |
| May 31, 2005 | 506098 | PUD 200500107 | |

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Oklahoma Gas
602 SW A Avenue
Lawton, Oklahoma 73501

Third Revised Sheet No. 3-1.6/10

(866) 275-5265 toll-free
(580) 351-9601

Cancelling Second Revised Sheet No. 3-1.6/10

Applies to State of Oklahoma

content (Commodity Costs). Gas Supply Rate-Commodity shall also include the transaction costs in the form of charges per unit volume or heat content (Commodity Costs) associated with the use of futures contracts and options and other prudently incurred costs associated with various financial instruments purchased by Company to stabilize supply acquisition costs.

1.3.4. Gas Supply Rate-Demand is the sum of the following:

- A. Total Gas Supply Rate that is billed to Company in the form of charges that do not vary with actual usage (Demand Costs), including any Gas Supply Rate-Gas Inventory charges.
- B. Gas Supply Rate-Demand shall also include the transaction costs in the form of charges that do not vary with actual usage (Demand Costs) associated with the use of futures contracts and options and other prudently incurred costs associated with various financial instruments purchased by Company to stabilize supply acquisition costs.

1.3.5. Company's Total Gas Supply Rate during a particular period is the total invoiced cost of the gas acquired from all sources of supply in order to meet Company's Oklahoma State-wide requirements, adjusted as appropriate for:

- A. The net excess or deficiency during the period as between receipts from and deliveries to storage by Company.
- B. The net excess or deficiency as between receipts and deliveries under any exchange and transportation arrangements involving Company's Oklahoma State-wide operations.
- C. These costs will specifically exclude volumes associated with transportation under the TSO option and the Fuel-in-Kind associated with these options.

| Rates Authorized by the Oklahoma Corporation Commission: (Effective) | (Order No.) | Public Utility Division Stamp: (Cause/Docket No.) |
|---|-------------|--|
|---|-------------|--|

| | | |
|--------------------------|---------------|----------------------|
| <u>May 23, 2014</u> | <u>625254</u> | <u>PUD 201400005</u> |
| <u>January 1, 2008</u> | <u>548318</u> | <u>PUD 200700406</u> |
| <u>May 31, 2005</u> | <u>506098</u> | <u>PUD 200500107</u> |
| <u>December 29, 2004</u> | <u>499253</u> | <u>PUD 200400187</u> |

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Oklahoma Gas
602 SW A Avenue
Lawton, Oklahoma 73501

Third Revised Sheet No. 3-1.7/10

(866) 275-5265 toll-free
(580) 351-9601

Cancelling Second Revised Sheet No. 3-1.7/10

Applies to State of Oklahoma

For purposes of this Gas Supply Rate Rider, Company will separate the Total Gas Supply Rate into two parts: Gas Supply Rate-Commodity and Gas Supply Rate-Demand.

- 1.3.6. Differential Account is the account which tracks the difference between supply acquisition cost and the amount collected from customers by application of the related gas supply rate charge to customer billings, as described in Part 1.5. of this Rider. This Differential Account shall include over or under recoveries from the combined G-1 and G-2, and for a one-year period—a transitional LUFG percentage component.
- 1.3.7. Seasonal, as used herein, means the periods April through October (summer season) or November through March (winter season), as applicable.
- 1.4. The Gas Supply Rate-Commodity and Gas Supply Rate-Demand, defined in Part 1.3. are allocated to the applicable rate schedules as follows:
- 1.4.1. Gas Supply Rate-Commodity will be allocated to the applicable rate schedules based on the proportion of (a) seasonal commodity-related billing determinants for gas supply applicable to the rate schedules, to (b) total seasonal commodity-related billing determinants for all rate schedules. For purposes of this cost allocation, CS-NGV rate schedule billing determinants will be accumulated and included with the CS-1 rate schedule calculations.
- 1.4.2. Gas Supply Rate-Demand will be allocated to the applicable rate schedules based on the proportions of capacity-related billing determinants applicable to the rate schedule to capacity-related billing determinants for all rate schedules. For purposes of this cost allocation, CS-NGV rate schedule billing determinants will be accumulated and included with the CS-1 rate schedule calculations. These proportions may be revised by the Company at the time of the annual GSR true up, whenever a significant change occurs in the number of customers that comprise each customer class and rider option. If such a revision is necessary, Company will

| Rates Authorized by the Oklahoma Corporation Commission: (Effective) | (Order No.) | Public Utility Division Stamp: (Cause/Docket No.) |
|---|-------------|--|
|---|-------------|--|

| | | |
|--------------------------|---------------|----------------------|
| <u>May 23, 2014</u> | <u>625254</u> | <u>PUD 201400005</u> |
| <u>January 1, 2008</u> | <u>548318</u> | <u>PUD 200700406</u> |
| <u>May 31, 2005</u> | <u>506098</u> | <u>PUD 200500107</u> |
| <u>December 29, 2004</u> | <u>499253</u> | <u>PUD 200400187</u> |

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Oklahoma Gas
602 SW A Avenue
Lawton, Oklahoma 73501

Third Revised Sheet No. 3-1.8/10

(866) 275-5265 toll-free
(580) 351-9601

Cancelling Second Revised Sheet No. 3-1.8/10

Applies to State of Oklahoma

calculate the revised capacity-related billing determinants used to allocate Gas Supply Rate-Demand. The revised capacity-related billing determinants will consist of: (a) imputed capacity-related billing determinants per customer multiplied by corrected customer counts for the residential class, GS-1 and CS-1 (inclusive of the CS-NGV rate schedule billing determinants and customer counts); and (b) corrected capacity-related billing determinants for the large commercial classes.

The Company will submit revised Gas Supply Rate-Demand with the Oklahoma Corporation Commission, to be effective for customer billings with ending read dates in the month following the month in which the Company submits the revision with the Oklahoma Corporation Commission.

1.5. ANNUAL TRUE-UP CALCULATION

- 1.5.1. The supply acquisition costs to be used under this Rider GSR for bills rendered in the period November 1 through October 31 will be calculated based on the most recent data available. As soon as information becomes available to permit calculation of Company's supply acquisition cost for each twelve-month period ending August 31, the supply acquisition cost will then be calculated on the basis of the supply acquisition cost for that twelve-month period. The difference between (a) the total amount that was collected through billings by application of the respective supply acquisition cost charges to actual billing determinants; and (b) the corresponding supply acquisition cost will be recorded by appropriate debit or credit in the differential account.
- 1.5.2. The balances in the differential accounts as of the end of the annual true-up period will be amortized by application of a Surcharge included in the G-1 charge next used for billing customers served under Rider GSR. Such Surcharge will be calculated (to the nearest \$.0001 per Ccf) by dividing the balance in the differential account by the billing determinants applicable to such customers during the billing period over which that

| Rates Authorized by the Oklahoma Corporation Commission: (Effective) | (Order No.) | Public Utility Division Stamp: (Cause/Docket No.) |
|---|-------------|--|
|---|-------------|--|

| | | |
|-------------------|--------|---------------|
| May 23, 2014 | 625254 | PUD 201400005 |
| January 1, 2008 | 548318 | PUD 200700406 |
| May 31, 2005 | 506098 | PUD 200500107 |
| December 29, 2004 | 499253 | PUD 200400187 |

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Oklahoma Gas
602 SW A Avenue
Lawton, Oklahoma 73501

Third Revised Sheet No. 3-1.9/10

(866) 275-5265 toll-free
(580) 351-9601

Cancelling Second Revised Sheet No. 3-1.9/10

Applies to State of Oklahoma

Surcharge will be in effect, and it will be applied, by increase or decrease as appropriate, to the gas supply rate otherwise applicable to said billing period.

1.5.3. Any overage or underage in collections will be debited or credited, as applicable to the differential account in order that it will be reflected in the balance used to calculate the next Surcharge. In addition, balances remaining in the differential accounts of any superseded rider or other gas or supply acquisition cost recovery mechanism shall be assigned to the appropriate differential accounts of this Rider GSR. As the balance in each differential account is amortized by the collection or refund of costs to which Surcharges have been applied as aforesaid, entries will be made to clear the differential account accordingly.

1.5.4. Notwithstanding any provision to the contrary, Company shall be entitled to recover the balance of the differential account for up to twenty-four (24) months, if circumstances warrant a recovery period longer than twelve (12) months.

1.6. ASSIGNMENT OF DIFFERENTIAL ACCOUNT

1.6.1. In the event an LCS-1, CS-1, or CS-NGV customer changes its supply service election at the end of the contract term from the system supply option (SSO), the amount of the differential accounts attributable to that customer shall be charged or distributed to that customer, whichever is applicable. The charging to or distribution of the differential account attributable to that customer shall be removed or added to the differential account of the applicable rate schedule.

1.7. IMPACT OF REGULATORY RULES, REGULATIONS, ORDERS & COURT DECREES

1.7.1. If the cost of gas paid or payable by Company shall be reduced or increased by rule, regulation or final order of a duly constituted regulatory body or the final decree of a court, if appealed thereto, and such cost of

| Rates Authorized by the Oklahoma Corporation Commission: (Effective) | (Order No.) | Public Utility Division Stamp: (Cause/Docket No.) |
|---|-------------|--|
|---|-------------|--|

| | | |
|-------------------|--------|---------------|
| May 23, 2014 | 625254 | PUD 201400005 |
| January 1, 2008 | 548318 | PUD 200700406 |
| May 31, 2005 | 506098 | PUD 200500107 |
| December 29, 2004 | 499253 | PUD 200400187 |

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Oklahoma Gas
602 SW A Avenue
Lawton, Oklahoma 73501

Third Revised Sheet No. 3-1.10/10

(866) 275-5265 toll-free
(580) 351-9601

Cancelling Second Revised Sheet No. 3-1.10/10

Applies to State of Oklahoma

gas shall have been reflected in Company's charges to the extent and in the manner specified in this Rider GSR, Company shall report to the Oklahoma Corporation Commission and apply the refunds as a credit and increases as a debit in its GSR computation hereunder for the applicable period. Nothing in this Rider GSR, however, shall be construed to require refunds or a reduction in Company's supply-related charges as a result of an order requiring a refund predicated on gas costs which have not been reflected in Company's billings for its customers.

1.8. PRESSURE BASE

1.8.1. All computations hereunder will be adjusted to a pressure of 14.73 psia.

1.9. APPLICABLE RATE SCHEDULES

Residential Firm Sales Service (RS-1)
Commercial Firm Sales Service (CS-1)
Commercial NGV Firm Sales Service (CS-NGV)
Large Commercial Firm Service (LCS-1)
General Firm Sales Service (GS-1)

| Rates Authorized by the Oklahoma Corporation Commission: (Effective) | (Order No.) | Public Utility Division Stamp: (Cause/Docket No.) |
|---|-------------|--|
|---|-------------|--|

| | | |
|--------------------------|---------------|----------------------|
| <u>May 23, 2014</u> | <u>625254</u> | <u>PUD 201400005</u> |
| <u>January 1, 2008</u> | <u>548318</u> | <u>PUD 200700406</u> |
| <u>May 31, 2005</u> | <u>506098</u> | <u>PUD 200500107</u> |
| <u>December 29, 2004</u> | <u>499253</u> | <u>PUD 200400187</u> |