CenterPoint Energy Arkla Issued: July 29, 2004 Issued by: Walter Bryant Vice President and General Manager First Revised Sheet No. 49 Cancels Original Sheet Nos. 32 and 34 EFFECTIVE: July 29, 2004

9. RESIDENTIAL AVERAGE MONTHLY BILLING PROGRAM

Under this provision, certain Residential Customers have the option of participating in the Company's Average Monthly Billing Program ("AMB") as an alternative to the Company's normal billing procedure. For purposes of the AMB, the following definitions shall apply:

- A. "Normal Bill" is an amount computed using the Company's applicable residential rate schedule for service provided to a customer during a billing month.
- B. "Qualifying Customer" shall mean a residential customer of the Company who has not had gas services suspended for non-payment and has not had a "Past Due" notice issued on an account during the immediately preceding twelve month period.

AVAILABILITY:

The AMB is available to any Qualifying Customer of the Company.

OPERATION: A. Computation of Bills under the AMB

Under the AMB the Qualifying Customer shall receive a monthly "Average Bill" computed using the most recent 12 months rolling average of the customer's Normal Bills rounded to the nearest dollar. The amount of Average Bill and Normal Bill will appear on the customer's monthly billing statement. The cumulative difference between Normal Bills which have been deferred and the Average Bills rendered under the AMB will be carried in a deferred balance that will accumulate both debit and credit differences.

In such instances where sufficient billing history is not available, a twelve-month billing history will be estimated by the Company. The estimated history will be based on actual billings for those months in which actual billing data is available and estimated based on the service address or a similar location for those months in which actual billing is unavailable.

B. Effect of AMB on other Tariff Provisions

Except as modified herein, participation in the AMB will have no effect on the Company's approved rate schedules or other billing charges used to calculate the customer's Normal Bill. Participation in the AMB shall have no effect on any other term or condition for providing service contained in the Company's tariffs including those provisions relating to termination or suspension of service.

C. Effect of Customer Discontinuance of AMB or Termination or Suspension of Service

The customer may discontinue the AMB at any time by notifying the Company. If a customer requests discontinuance of the AMB, if an account is final billed, or if the service is suspended by the Company as a result of past due amounts on an account, any outstanding balance owed the Company at the time, including any differences between billings under the AMB and Normal Bills which would have been rendered under normal billing procedures, shall be immediately due and payable. Likewise, any credit due customer shall be applied to the next bill or refunded, as appropriate.

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