



FAQs

Beaumont East Texas Division GRIP Filing

What is a Gas Reliability Infrastructure Program (GRIP) filing?

- An interim rate adjustment allowed by Texas Statute (Texas Utilities Code §104.301) that allows utilities to recover their costs related to additional invested capital without filing a full rate case.

Who can make GRIP filings?

- A gas utility with newly invested capital not already included in existing rate base can make an initial GRIP filing but only if the gas utility has filed a rate case within the preceding two years. Thereafter, an annual GRIP filing occurs. A full rate case must be filed no later than five and one-half (5 ½) years after the implementation of the initial GRIP filing.

When was CenterPoint Energy's most recent rate case?

- CenterPoint filed its last rate case for the Beaumont East Texas Gas Division (GUD No. 10182) on July 2, 2012, and the final decision was rendered on December 4, 2012. In 2018, base rates and interim rate adjustments were lowered to incorporate the effects of Tax Change from 35% to 21% in GUD No. 10748.

When was the Company's most recent GRIP filing?

- CenterPoint made its sixth GRIP filing for the Beaumont East Texas Gas Division on March 28, 2019.

When will the Company make their next Rate Case Filing?

- The Company is required to file a rate case in November 2019.

How is the adjustment amount calculated?

- The GRIP filing adjustment is intended to capture the cost of net incremental investment over that investment included in the last rate case; or since the most recent GRIP filing.
- Costs included are return on that investment, depreciation expense, and certain taxes. Factors used to calculate costs must be the same as those reflected in the final order, ordinance or settlement agreement approving current rates.

What is required of the utility?

- The new tariff or rate schedule must be filed with the appropriate regulatory authority (City and/or Railroad Commission) 60 days before the proposed implementation date.
- Notice to all affected customers must be provided within 45 days of filing with the regulatory authority.
- In each annual GRIP filing, the utility must provide the following information:
 - Annual Project Reports describing all new investments and retired plant.

- The need for, the cost of, and the customers benefitted by the new investment.
- An annual earnings monitoring report showing earnings in the past year.
- The adjustment must be recalculated annually.

What is the role of the regulatory authority?

- Within 60 days after the filing, the regulatory authority may suspend implementation of the proposed adjustment for up to 45 days.
- Once the interim increase in rates has been reviewed as part of a full rate case, the regulatory authority may order CNP to refund any amounts collected if the investment is found to be unnecessary or imprudent.
- The regulatory authority may open an inquiry under Texas Utilities Code §104.151 and set new rates if the current rates are found to be unreasonable.

Who is CenterPoint Energy?

- CenterPoint Energy provides natural gas distribution service to approximately 4.5 million residential, commercial and industrial customers in the states of Arkansas, Indiana, Louisiana, Minnesota, Mississippi, Ohio, Oklahoma and Texas. CenterPoint Energy serves approximately 190,000 customers in its Beaumont East Texas Division that will be impacted by this filing.

Customers in what cities will be affected by the Company’s filing?

- This filing is for the entire Beaumont East Texas Division including the environs customers. We are filing with the cities below:

Anahuac	Goodrich	Mineola	Scottsville
Arp	Grand Saline	Mount Pleasant	Silsbee
Atlanta	Hooks	Mount Vernon	Sour Lake
Beaumont	Huntsville	Nederland	Tatum
Beckville	Jacksonville	New Boston	Troup
Bevil Oaks	Jefferson	New London	Tyler
Bloomburg	Kilgore	North Cleveland	Uncertain
Bridge City	Leary	Orange	Union Grove
Carthage	Liberty	Ore City	Van
Clarksville City	Lindale	Overton	Waskom
Cleveland	Linden	Pine Forest	White Oak
Corrigan	Livingston	Pittsburg	Wills Point
De Kalb	Lone Star	Queen City	Winfield
Douglassville	Longview	Red Lick	Winnsboro
Edgewood	Lufkin	Riverside	
Fruitvale	Marshall	Rose Hill Acres	
Gladewater	Miller’s Cove	Rusk	

- At the time of this filing, the cities below have given up original jurisdiction. These cities will be included as part of the rate filing made with the Railroad Commission:

Ames	East Mountain	Jasper	San Augustine
Avinger	Elkhart	Kirbyville	Shepherd
Big Sandy	Gilmer	Latexo	Talco
Bullard	Grapeland	Lovelady	Tenaha
Center	Groveton	Lumberton	Timpson
China	Hallsville	Maud	Trinity

Colmesneil	Hawkins	Nacogdoches	Vidor
Crockett	Henderson	Naples	Warren City
Daingerfield	Hideaway	Omaha	West Orange
Dayton	Hudson	Pinehurst	
Diboll	Hughes Springs	Rose City	

- The filing with the Railroad Commission will include the unincorporated areas below:

Beauxart Gardens	Eastham Farm	Mauriceville	Saratoga
Bronson	Ellis Ferguson Farm	McLeod	Stowell
Buna	Elysian Fields	Neches	Swan
Central	Evadale	New Willard	Sylvan-Harmony
Cheek	Fuller Springs	Orangefield	Victory Gardens
De Berry	Jonesville	Price	Winnie
Dodge	Leggett	Redland	

What customers are affected and how?

- The total increase of \$3,836,876 has been allocated among customer groups in the same manner as the current rates established in GUD No. 10182. The proposed effective date is May 27, 2019. Once it goes into effect, the GRIP interim rate adjustment will increase the customer charge that is applicable to customers served under the indicated sales service rate schedules within the Beaumont East Texas Division as follows:

Rate Schedule	Current Customer Charge	Proposed 2019 Interim Rate Adjustment*	Adjusted Charge	Increase Per Bill
R-2091-GRIP 2019 Residential	\$22.45 per customer per month	\$1.56 per customer per month	\$24.01 per customer per month	\$1.56 per customer per month
GSS-2091-GRIP 2019 General Service Small	\$34.06 per customer per month	\$2.50 per customer per month	\$36.56 per customer per month	\$2.50 per customer per month
GSLV-622-GRIP 2019 General Service Large Volume	\$117.45 per customer per month	\$15.45 per customer per month	\$132.90 per customer per month	\$15.45 per customer per month

* On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "TCJA") was signed into law. The TCJA reduced the federal corporate income tax rate from 35% to 21%. The Company has calculated the GRIP Adjustment using the 35% federal corporate income tax rate approved in GUD No. 10182. The Company has also calculated and is seeking approval of the GRIP Adjustment using the 21% federal corporate income tax rate under the Tax Cuts and Jobs Act of 2017. The Proposed 2019 Interim Rate Adjustment in the table above has been calculated using the reduced corporate income tax rate of 21%.