

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised Sheet No. 3-2.1/7

Replacing: First Revised Sheet No. 3-2.1/7

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

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

PART III - Rate Schedule No. 2

Title: SMALL COMMERCIAL FIRM SALES SERVICE (SCS-1)

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2. SMALL COMMERCIAL FIRM SALES SERVICE (SCS-1)

2.1. AVAILABILITY

2.1.1. This rate schedule is available at points of adequate capacity and suitable pressure on the Company's existing facilities. This rate schedule is available to any consumer engaging in business, professional, institutional or other non-residential activity supplied at an individually metered point of delivery for all uses of gas. Natural gas supplied hereunder is for the individual use of the customer at the point of delivery and shall not be resold or shared with others. Standby service is not available under this rate schedule.

2.1.2. Gas consumption under this rate schedule is limited to 365,000 Ccf in any 12 consecutive month period. If at any time, it is anticipated, based on Company's estimate, that the customer will consume in excess of 365,000 Ccf per year in the succeeding 12 consecutive month period, the customer shall become subject to the applicable large commercial firm service rate schedule.

2.1.3. Company has historically allowed the volume usage of meters at business facilities under common ownership and subject to this rate schedule to be aggregated for the sole purpose of establishing eligibility for transportation as referenced in Part 3.1.3. of Rate Schedule LCS-1. Customers historically qualifying for transportation under this aggregation provision shall remain subject to the rates and charges under this rate schedule in addition to any additional specific rates, charges, or adjustment riders peculiar to the Transportation Supply Option ("TSO")

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set out in Rate Schedule LCS-1, such as, but not limited to, administrative fees. Customers aggregating volume shall be subject to all provisions and policies governing TSO option customers as specified in LCS-1, except as provided for herein. Although no aggregation will be allowed for eligibility, the ability to aggregate for eligibility purposes at existing and new locations shall remain unchanged for transportation customers eligible under such aggregation provision prior to September 21, 2002. Future aggregation for the purpose of qualification, except as otherwise referenced herein, is prohibited. Each individual account of historically qualified customers shall be treated as a separate account and shall be subject to the same rates and charges under the originating SCS-1 or LCS-1 rate schedule, and are additionally subject to any specific rates, charges or riders specific to the TSO.

For the purpose of establishing eligibility for the "TSO" defined in the LCS rate schedule, customers experiencing or anticipating an average daily demand of 10 MMBtu per day during the preceding or succeeding twelve months will be eligible for the TSO. Customers qualifying for transportation who choose the TSO shall be subject to rates and charges under the SCS-1 rate schedule, and are additionally subject to any additional specific rates, charges or riders specific to the TSO.

- 2.1.4. Customers converting from transportation service to sales service will be required to contract for such sales services between the months of February through April preceding the expiration of the primary or any succeeding term of the Customer's existing contract. Customers seeking to contract for sales service during the required time frame will be allowed to convert to sales service provided that the Company is able to secure firm upstream transportation capacity and other upstream pipeline services sufficient to meet the Customer's needs. Any such conversion will be

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effective upon the expiration of the term of the Customer's existing contract, unless the Company and the Customer agree otherwise.

2.1.5. Seasonal Transportation. Customer facilities experiencing more than 80% of annual load during the flow months April through October, and who experience or anticipate an average daily demand of more than 10 MMBtu per day during any consecutive 30-day period of the preceding or succeeding April through October, are eligible to transport on a seasonal basis. Customers meeting the aforementioned criteria, may elect the TSO option and choose a subsequent return to the System Supply Option ("SSO") only once during the calendar year. Customers electing the TSO on a seasonal basis, pursuant to notice given prior to May 31st or thirty days prior to commencement of service, whichever is earlier, may receive transportation service for a continuous period of at least 30 days between April 1 and October 31. Customers electing the TSO option on a seasonal basis are subject to the TSO contract administration fee. Additionally, each participating location shall pay a \$300 set-up fee upon initial election and upon any subsequent return to transportation service.

2.2. RATES

2.2.1. Each customer receiving service under this rate schedule shall be charged the sum of (a), (b), and (c) as follows:

(a) Monthly Customer Charge - \$14.67. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service.

(b) Distribution Rate for customers electing the SSO option:

First 1,500 Ccf at \$0.17133

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1,501 – 15,000 Ccf at \$0.12959
Over 15,000 Ccf at \$0.05555

Distribution Rate for customers electing the TSO option:

First 150 MMBtu at \$1.68620
151 – 1,500 MMBtu at \$1.27534
Over 1,500 MMBtu at \$0.54673

- (c) Gas Supply Rate - The Gas Supply Rate will be calculated and adjusted periodically as defined in the Company's Gas Supply Rate Rider.
- (d) WNA Rider will be applicable only to volumes in excess of 78 Ccf.

2.2.2. Rates for customers historically qualifying for service under the Part 2.1.3. aggregation provision and customers qualifying for transportation under this rate schedule will be subject to thermal adjustment. Delivered volumes will be adjusted by the appropriate thermal content factor obtained from the nearest available chromatograph or sampling location (Ccf / 10) x thermal content factor = MMBtu).

2.3. MINIMUM CHARGE

2.3.1. Monthly Customer Charge -- \$14.67. The monthly customer charge shall be pro-rated in the months that the customer initiates and terminates gas service.

2.4. TELEMETERING

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Second Revised Sheet No. 3-2.5/7

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2.4.1. Telemetry is required for customers electing and qualifying for transportation service. Company shall install telemetry equipment of standard make and manufacture to determine hourly and daily flow at customer's point of delivery. Customer shall choose between analog telemetry and wireless telemetry, if suitable wireless service is available. Customer will pay Company for telemetry equipment under one of the following payment options as chosen by the customer:

- () Option 1: Customer agrees to provide an analog phone line for each meter and pay for standard telemetry equipment and installation costs for each meter. Customer will be subject to meter reading fees for an inoperable phone line for each meter.
- () Option 2: Customer will provide an analog phone line for each meter but elects to pay a monthly fee for standard telemetry equipment and installation costs for each meter. The fee will be \$30 per month per meter for meters that do not require pressure instrumentation and \$84 per month per meters that do require pressure instrumentation. The customer will be subject to meter reading fees for an inoperable phone line for each meter.
- () Option 3: Customer elects wireless service through CenterPoint Energy Arkansas Gas for each meter and agrees to pay for standard telemetry equipment and installation costs for each meter. The wireless service fee will be \$10 per month per meter, and Customer will not be subject to meter reading fees.
- () Option 4: Customer elects wireless service through CenterPoint Energy Arkansas Gas for each meter and elects to pay a monthly fee for standard telemetry equipment and installation costs for each meter. The fee will be \$40 per month for meters that do not require pressure instrumentation and \$94 per month per meter for meters that do require pressure instrumentation. The customer will not be subject to meter reading fees.

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In the event customer has in place working telemetering facilities and equipment; and the customer receives system supply service; and Company determines it necessary to keep the telemeter(s) operational, Company will arrange and pay for the associated telecommunications cost while the customer receives sales service under this rate schedule.

2.4.2. If customer chooses analog telemetry, then customer shall be responsible for installing and maintaining telecommunications lines. Should customer fail to maintain or repair telecommunications lines required to communicate with telemetry equipment, Company shall have the right to bill customer all labor and expense required to manually read the meter, at whatever intervals the Company may deem necessary.

If customer chooses wireless telemetry, then customer shall pay Company \$10 per month per meter for wireless telemetry service for the entire period such meter(s) is(are) served under this or any other transportation rate schedule.

2.5. RIDERS

2.5.1. In addition to the Gas Supply Rate Rider, the following riders, as on file with the Commission and in effect from time to time, are applicable to service under this rate schedule:

<u>Rider Name</u>	<u>Description</u>	<u>Identification on Customer Bills</u>
MRP	Interim Main Replacement Program	Base Rate Adj
TA	Municipal Tax Adjustment	Municipal Franchise Adj

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Fourth Revised Sheet No. 3-2.7/7

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WNA	Weather Normalization Adjustment	Weather Normalization Adj
BDA	Interim Billing Determinant Rate Adjustment	Billing Determinant Rate Adj
EECR	Energy Efficiency Cost Recovery Rider	EE Cost Rate
GMES	Government Mandated Expenditure Surcharge	Act 310 Surcharge
SAR	Interim Services At-Risk Rider	Rider SAR
FRP	Formula Rate Plan Rider	Formula Rate Plan Adj

2.5.2. Service will be rendered under this rate schedule until service is discontinued to customer, the customer qualifies for service under the large commercial firm service rate schedule, or the schedule is superseded by Arkansas Public Service Commission Order.

2.6. RULES AND REGULATIONS GOVERNING UTILITY SERVICE

2.6.1. The Arkansas Public Service Commission General Service Rules and the Company's rates and policies as presently on file with the Arkansas Public Service Commission, as the same may from time to time be changed in accordance with the law, shall be applicable to service under this rate schedule.