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

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Applies to State of Oklahoma

Original Sheet No. 3-6.1/3

## RIDER SCHEDULE NO. 6 VOLUNTARY FIXED PRICE OPTION (VFPO)

# 6. VOLUNTARY FIXED PRICE OPTION (VFPO)

### 6.1. GENERAL DESCRIPTION

The VFPO is a pricing program that will allow qualified Residential, GS-1 and eligible CS-1 customers to <u>VOLUNTARILY</u> establish a pre-determined price for the Gas Supply Rate (GSR) portion of their overall gas bills for a twelve-month period beginning in November of each year. Once this option has been chosen, the customer must remain on this program for the full twelve-month period unless specified otherwise in this Rider.

#### 6.2. AVAILABILITY

The VFPO is available to a maximum of 7,600 Residential customers, 800 GS-1 customers, and 100 eligible CS-1 customers (with the CS-1 customers being eligible if they use less than 91,250 Ccf annually), who choose this option within 30 days of the initial offering to them. Based on experiences from other companies offering this service, the Company believes that the maximum quantities for participants will allow all customers choosing the option to receive their request. But, to the extent that more customers choose the service than the pre-established maximums above, a random lottery will be performed to award the VFPO. In October of each year, the Company will notify each customer who has elected this service as to their selection or rejection.

#### 6.3. DETERMINATION OF VFPO PRICE

The VFPO offering price will be determined in August of each year based on information that is available as of August 1<sup>st</sup>. The pricing is fully defined in the Gas Supply Rate (GSR) Rider 1. However it is basically defined as the sum of the following:

A. A Base Rate that is determined to be the weighted average of the Fixed Price Gas Commodity Charges in place on August 1<sup>st</sup> of each year for the

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twelve-month period beginning in the following November. 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
- c. The average price of the storage in place as weighted for the estimated withdrawals in November through March
- B. The Company's best estimate of the G-2 and G-3 charges that will be placed into effect for the applicable rate schedule for the upcoming GSR period to begin in November.

#### 6.4. <u>COMPANY REQUIREMENTS</u>

The Company will determine the price for the Residential, GS-1 and CS-1 VFPO in early August of each year and will inform the customers of this price during the months of August and/or September. The Company will be further required to inform the customers via the U.S. Mail of their selection or rejection for this option during the month of October. To the extent that more than the maximum customers request this option, it will be the responsibility of the Company to perform a random lottery to award these requests.

#### 6.5. CUSTOMER REQUIREMENTS

Customers who choose this option and are informed by the Company that they have been awarded their request will as a requirement of continued service, be required to stay on this program at their present location for the full period (November through the following October) of the offering. To the extent that a customer's service is disconnected during the period of this program, and the customer has not transferred their service to another location in the state, then they will be allowed to leave with no further commitment. To the extent that the customer re-establishes service during the period of this program, the Company is not required to continue the VFPO price at the new location. To the extent that a customer's service is discontinued at their original location, and their service is simultaneously transferred to another location in the same state, and to the extent

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that the expected volumes at the new location are similar to their volumes in the prior location, then the VFPO price will continue to be in place at the new location.

# 6.6. <u>APPLICABLE RATE SCHEDULES</u> Residential Firm Sales Service (RS-1)<sup>1</sup> Commercial Firm Sales Service (CS-1)<sup>1</sup> General Firm Sales Service (GS-1)<sup>1</sup>

Limited to a maximum of 7,600 residential customers, 800 GS-1 customer and 100 eligible CS-1 customers defined in paragraph 6.2. above.

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