

PUBLIC NOTICE

On March 27, 2015, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (“CenterPoint Texas” or the “Company”), filed a Statement of Intent to Increase Rates (“Statement of Intent”) in its Texas Coast Division. The Statement of Intent was filed with each regulatory authority having original jurisdiction over the gas utility rates charged by the Company to customers within its Texas Coast Division. The proposed increase in rates will affect all residential, small commercial and large volume customers within the incorporated cities and unincorporated areas of the Texas Coast Division, with the exception of customers within the cities of Houston, Deer Park, Missouri City, and Pasadena, who are served under tariffs approved for the Houston Division. The proposed effective date of the requested rate changes is May 1, 2015. The Texas Coast Division is comprised of the following cities and surrounding unincorporated areas, who are taking service under the Company’s existing Cost of Service Adjustment (“COSA”) rate schedules, COSA-2 or COSA-3:

COSA-2: Alvin, Beasley, Beach City, Brookshire, Brookside Village, Clear Lake Shores, Danbury, Dickinson, East Bernard, El Lago, Friendswood, Fulshear, Hillcrest Village, Hitchcock, Jones Creek, Katy, Kemah, Kendleton, Lake Jackson, La Marque, LaPorte, Liverpool, Manvel, Mont Belvieu, Morgan’s Point, Needville, Orchard, Oyster Creek, Pleak, Richwood, Richmond, Rosenberg, Santa Fe, Seabrook, Sugar Land, Taylor Lake Village, Texas City, Wallis, and Webster, Texas.

COSA-3: Angleton, Bacliff, Barretts Settlement, Baytown, Boling, Chanel Area, Clute, Columbia Lakes, Crosby, Damon, Freeport, Glen Flora, Highlands, Hungerford, Iago, Iowa Colony, League City, New Gulf, Old Ocean, Pearland, Pecan Grove, Rosharon, San Leon, Shoreacres, Sienna Plantation, Teal Run, Van Vleck, West Columbia, Weston Lakes, Wharton, and all unincorporated areas in the Texas Coast Division.

These proposed rates and tariffs are expected to increase CenterPoint Texas’ annual revenues for the Texas Coast Division by approximately \$6.8 million or 4.5% including gas costs or 11.3% excluding gas cost. Table A below summarizes impacts to customers on a city-by-city basis. The proposed change in rates constitutes a “major change” as that term is defined by Section 104.101 of the Texas Utilities Code. For the unincorporated areas, the proposed change in rates will not become effective until similar changes have become effective within the nearest incorporated city. The rates requested for the unincorporated areas are not specifically tied to any incorporated areas.

The Company proposes to implement the following rates: the Residential customer charge will increase from \$14.69 (COSA-2) or \$14.77 (COSA-3) to \$16.00 per bill per month and the commodity charge will change from \$0.0724 (COSA-2) and \$0.03055 (COSA-3) to \$0.0695 per Ccf; the General Service-Small customer charge will increase from \$14.90 (COSA-2) or \$13.84 (COSA-3) to \$16.75 per bill per month and the commodity charge will change from \$0.085 per Ccf for the first 150 Ccf and \$0.0623 per Ccf for over 150 Ccf (COSA-2) and \$0.06655 per Ccf for the first 150 Ccf and \$0.03258 per Ccf for over 150 Ccf (COSA-3) to a single rate of \$0.0614 per Ccf; and the General Service-Large customer charge will increase from \$16.96 (COSA-2) and \$14.40 (COSA-3) to \$47.75 per bill per month, and the commodity charge will change from \$0.0844 per Ccf for the first 1,500 Ccf, \$0.0588 per Ccf for 1,500 to 10,000 Ccf and \$0.0498 per Ccf for over 10,000 Ccf (COSA-2) and \$0.09036 per Ccf for the first 1,500 Ccf, \$0.0588 per Ccf for 1,500 to 10,000 Ccf and \$0.0498 per Ccf for over 10,000 Ccf

(COSA-3) to a single rate of \$0.0414 per Ccf. As part of this rate change, the Company seeks approval of new depreciation rates that will be applicable to distribution and general plant assets in the Texas Coast Division. The Company also requests a prudence determination for capital investment booked to plant during the period January 1, 2011 through September 30, 2014.

Based on the proposed customer rate design, and excluding revenue-related taxes, the average monthly bill for a residential customer, small commercial, and large volume customer in the Texas Coast Division will change by the amount and percent shown in the tables below:

For Customers Served Under the COSA-2 Rate Schedule

	Average Current Monthly Bill, including Gas Cost*	Average Proposed Monthly Bill, including Gas Cost*	Proposed Monthly Change	Percentage Change with Gas Cost/without Gas Cost
Residential	\$38.16	\$39.37	\$1.21	3.2% / 7.1%
General Service-Small	\$144.51	\$144.88	\$0.37	0.3% / 1.3%
General Service-Large Volume	\$1,751.88	\$1,707.14	(\$44.74)	-2.6% / -23.2%

* The adjusted test-year average monthly usage is 32 Ccf for Residential Service, 178 Ccf for General Service Small, and 2421 Ccf for General Service Large Volume. The average cost of gas is \$0.6572 per Ccf for Residential Service and General Service Small and \$0.64402 per Ccf for General Service Large Volume.

For Customers Served Under the COSA-3 Rate Schedule

	Average Current Monthly Bill, including Gas Cost*	Average Proposed Monthly Bill, including Gas Cost*	Proposed Monthly Change	Percentage Change with Gas Cost/without Gas Cost
Residential	\$38.17	\$40.73	\$2.56	6.7% / 16.2%
General Service-Small	\$100.15	\$105.03	\$4.88	4.9% / 25.1%
General Service-Large Volume	\$1,842.15	\$1,790.42	(\$51.73)	-2.8% / -25.3%

* The adjusted test-year average monthly usage is 34 Ccf for Residential Service, 123 Ccf for General Service Small, and 2542 Ccf for General Service Large Volume. The average cost of gas is \$0.6572 per Ccf for Residential Service and General Service Small and \$0.64402 per Ccf for General Service Large Volume.

Table A

LN. NO.	City	Residential (# of customers)	General Service (# of customers)		% Change in Non-Gas Revenue
			Small	Large Vol.	
1	Alvin Inc	4,666	385	14	5.8%
2	Angleton Inc	4,096	267	8	13.0%
3	Baytown Inc	14,756	757	55	13.5%
4	Beach City Inc	222	2	0	6.7%
5	Beasley Inc	95	13	0	6.7%
6	Brookshire Inc	222	68	10	-3.5%
7	Brookside Village Inc	444	10	0	6.9%
8	Clear Lake Shores Inc	394	16	0	6.5%
9	Clute City Inc	1,925	174	4	12.9%
10	Danbury Inc	398	26	0	7.0%
11	Deer Park Inc	0	15	1	0.0%
12	Dickinson Inc	3,927	198	8	6.1%
13	East Bernard Inc	345	56	0	5.9%
14	El Lago Inc	869	21	0	6.4%
15	Freeport Inc	2,190	181	4	13.0%
16	Friendswood Inc	8,947	328	9	6.0%
17	Fulshear Inc	1,421	122	0	6.1%
18	Hillcrest Village Inc	267	2	0	7.1%
19	Hitchcock Inc	1,361	80	1	6.6%
20	Houston Inc	977	59	3	0.0%
21	Jones Creek Inc	470	10	0	7.1%
22	Katy Inc	3,755	286	13	5.1%
23	Kemah Inc	507	62	10	2.1%
24	Kendleton Inc	37	4	0	6.7%
25	La Marque Inc	4,413	235	3	6.5%
26	La Porte Inc	7,734	389	9	6.1%
27	Lake Jackson Inc	7,134	250	12	6.2%
28	League City Inc	23,588	915	16	15.1%
29	Liverpool Inc	99	9	2	-0.5%
30	Manvel Inc	1,102	81	1	6.2%
31	Missouri City Inc	1,421	40	0	0.0%
32	Morgan's Point Inc	120	17	0	5.6%
33	Mont Belvieu Inc	1,020	90	1	5.0%
34	Needville Inc	641	60	1	6.3%
35	Orchard Inc	95	9	0	6.5%
36	Oyster Creek Inc	116	18	0	6.9%
37	Pasadena Inc	827	16	4	0.0%
38	Pearland Inc	26,346	942	36	15.0%
39	Pleak Inc	19	1	0	6.9%
40	Richmond Inc	2,045	172	14	4.6%
41	Richwood Inc	811	32	0	7.1%
42	Rosenberg Inc	6,335	505	17	5.7%
43	Santa Fe Inc	1,935	92	1	6.6%
44	Seabrook Inc	3,245	144	6	5.7%
45	Shoreacres Inc	580	7	0	14.8%
46	Sugar Land Inc	19,463	620	36	5.6%
47	Taylor Lake Village Inc	1,400	10	0	6.4%
48	Texas City Inc	9,837	519	17	6.0%
49	Wallis Inc	253	25	1	6.0%
50	Webster Inc	444	208	24	-2.9%
51	West Columbia Inc	774	90	0	13.6%
52	Weston Lakes Inc.	1,201	35	0	20.2%
53	Wharton Inc	1,789	209	8	13.8%
54	Texas Coast Environs	89,641	3,624	5	15.7%
55	TOTAL	266,717	12,502	354	11.3%

In addition to the proposed change in rates for the residential, small commercial and large volume classes, CenterPoint Texas is proposing modifications to certain other rate schedules. For instance, the Company will consolidate its schedules currently applicable to its COSA-2 and COSA-3 customers and implement them for all incorporated and unincorporated areas within the Texas Coast Division. In addition, Rate Schedules R-2092, GSS-2092 and GSLV-623 have been updated to include language relating to rate case expense recovery, and Rate Schedules R-2092 and GSS-2092 have been updated to include language relating to bill payment, consistent with schedules previously approved for the Company's other divisions. CenterPoint Texas also proposes changes to its Purchased Gas Adjustment ("PGA") Rate Schedule to change the carrying cost on its over/under recovery of gas cost expense to 6.0%, consistent with schedules previously approved for the Company's other divisions, and to provide for the recovery of carrying costs associated with its investment in storage gas equal to the pre-tax rate of return established as a result of this proceeding, consistent with schedules previously approved for the Company's other divisions, as well as for customers served under the existing COSA-3 Rate Schedule PGA-7 in the Texas Coast Division.

In addition, the Company is proposing revenue-neutral changes to its Tax Adjustment and Franchise Fee Adjustment schedules and Schedule of Miscellaneous Service Charges to make the rate schedules consistent with those previously approved for other Texas divisions. The revised Tax Adjustment schedule will allow the Company to collect from customers in each jurisdiction the actual tax expense levied on the Company by that jurisdiction, as provided for in the Company's COSA-3 rate schedule but not its COSA-2 rate schedule. The revised Franchise Fee Adjustment schedule will require the Company to maintain on file with the Railroad Commission of Texas a current listing of cities within the Texas Coast Division and their applicable franchise fees. The revised Schedule of Miscellaneous Service Charges clarifies certain provisions related to meter testing, disconnections, and collection calls.

The Company is also proposing a new rate schedule to recover the rate-case expenses incurred in this proceeding as authorized by the regulatory authority, consistent with the rate-case expense schedules currently in place in the Company's Beaumont/East Texas Division. The amount of rate-case expenses to be recovered, if any, is not known at this time.

Persons with specific questions or who desire additional information about this filing may contact the Company at 877-827-8916. Complete copies of the filed Statement of Intent, including all proposed rates and schedule changes, are available for inspection at CenterPoint Texas' offices located at 1111 Louisiana, Houston, Texas 77002 and will be posted at www.centerpointenergy.com/txcoastdivision. In addition, any affected person may file in writing comments or a protest concerning the proposed change in rates with the Docket Services Section of the Hearings Division, Railroad Commission of Texas, P.O. Box 12967, Austin, Texas 78711-2967, at any time within 30 days following the date on which the change would or has become effective, or May 31, 2015, whichever date is later.

Este aviso tiene como fin informar a los clientes atendidos por la División Texas Coast de CenterPoint Energy Resources Corp., que opera comercialmente como CenterPoint Energy Entex y CenterPoint Energy Texas Gas ("CenterPoint Texas" o la "Compañía") que la Compañía ha presentado una solicitud para aumentar las tarifas del servicio público de gas. Esta solicitud afecta a todos los clientes residenciales, así como a los clientes comerciales pequeños y los consumidores de grandes volúmenes incluidos en la División Texas Coast de la Compañía, que reciben el servicio de gas. Las personas que deseen hacer preguntas específicas o recibir información adicional sobre esta solicitud pueden comunicarse con la Compañía llamando al

800-752-8036.