

LARGE VOLUME COMMERCIAL CUSTOMER AGREEMENT
(Transportation Supply Option)

THIS AGREEMENT (the "Agreement") is made and entered into as of the _____ day of _____, 20____, by and between

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Arkansas Gas

hereinafter referred to as "Company," and

_____,
a _____ corporation,

hereinafter referred to as "Customer,"

WITNESSETH THAT:

WHEREAS, Company is a local distribution company; and

WHEREAS, Customer owns or operates a facility and has requested natural gas service under Company's Rate Schedule No. 3, Large Commercial Firm Service (hereinafter referred to as "LCS-1" or qualified "SCS-1, SCS-2, or SCS-3");

NOW THEREFORE, Company agrees to provide the services to Customer as hereinafter set forth and Customer agrees to pay for such services and comply with the provisions hereof, on the following terms and conditions:

ARTICLE I
SUPPLY OPTION

Section 1.1 – Customer has selected the Transportation Supply Option ("TSO") under LCS-1 pursuant to which Customer will be delivered natural gas supply received for Customer's account at points of receipt on Company's distribution facilities for the term of this Agreement. If Customer later desires to convert to the Sales Supply Option ("SSO"), pursuant to which Customer will be delivered natural gas supply designated as general system supply of Company, Customer will be required to contract for such service between the months of February through April preceding the expiration of the primary or any succeeding term of this Agreement. Subject to this requirement, Customer will be allowed to convert to the SSO provided that the Company is able to secure firm upstream capacity and other upstream pipeline services sufficient to meet Customer's needs. Any such conversion will be effective upon the expiration of the term of this Agreement, unless the Company and the Customer agree otherwise

Section 1.2 – If volume usage of meters at business facilities under Customer's common ownership and subject to other commercial rate schedules are aggregated for the sole purpose of qualifying for the TSO under LCS-1, then each individual account shall be treated as a separate

account and shall be subject to the same rates and charges under the originating commercial rate schedule(s), in addition to any additional specific rates, charges or adjustment riders peculiar to the TSO under this rate schedule, such as, but not limited to, administrative fees.

ARTICLE II

TERM

Section 2.1 – This Agreement shall remain in force for a primary term beginning _____ and ending _____, and from year to year thereafter unless terminated by either party by a minimum of sixty (60) days' written notice prior to the end of the primary or any succeeding term.

ARTICLE III

POINTS OF RECEIPT AND DELIVERY

Section 3.1 – Company shall receive gas from Customer at the Point(s) of Receipt designated on Exhibit "A" hereto and Company shall deliver gas to Customer at the outlet of Company's facilities at the Point(s) of Delivery designated on Exhibit "A" hereto.

ARTICLE IV

QUANTITIES

Section 4.1 – As used herein, the following terms shall have the following meanings:

Maximum Daily Winter Quantity ("MDWQ") shall mean the total maximum MMBtu which Company shall be obligated to receive or deliver on a firm basis on any given day on behalf of Customer during the period November through March of each year.

Maximum Hourly Quantity ("MHQ") shall mean the maximum MMBtu Company is obligated to receive or deliver in any single hour.

Average Daily Volume shall be calculated by dividing the annual volume by 365.

Section 4.2 – The Maximum Daily Winter Quantity ("MDWQ"), the Maximum Hourly Quantity ("MHQ") and the Average Daily Volume applicable to services rendered under this Agreement are set forth on Exhibit "A" hereto.

Section 4.3 – If volume usage of meters at business facilities under Customer's common ownership and subject to other commercial rate schedules are aggregated for the sole purpose of qualifying for the TSO under LCS-1, then each individual account shall be treated as a separate

Section 4.4 – Company shall not be obligated under any circumstances: (i) to deliver more gas to Customer during any given day or month than it shall have received for the account of Customer during said period; or (ii) to receive or deliver during any given Day a total quantity of gas in excess of the MDWQ or Average Daily Volume as applicable.

ARTICLE V **RATES**

Section 5.1 – Customer shall pay to Company each month for all services rendered hereunder the charges, fees, surcharges, taxes, penalties, balancing charges, adjustments and assessments provided for in LCS-1 and associated riders, or SCS-1, SCS-2, or SCS-3 and associated riders if subject to the aggregation provision in Part 3.1.2., as on file and in effect from time to time.

Section 5.2 – The capacity demand ("CD") shall be the billing determinant for distribution demand charges and gas supply demand charges. Each individually metered point of delivery shall have a CD equal to the higher of (i) the MDWQ, subject to the maximum quantities provision in LCS-1; (ii) the Average Daily Volume.

ARTICLE VI **MISCELLANEOUS**

Section 6.1 – Customer represents that it qualifies for service under LCS-1 or qualified SCS-1, SCS-2, or SCS-3.

Section 6.2 – Customer agrees to certify and document in writing its human needs requirements and other requirements necessary for the preservation of life, health or physical property, and any material change to the level of said requirements prior to the start of service. The Customer shall update the Company in writing when its human needs requirements change. If Customer has human needs requirements, then Customer provides the following certifications and authorizations by choosing Scenario A or B, below:

() Scenario A

- Customer certifies that the _____ facility located at _____, _____, has human needs usage requirements of _____ MMBtu per day and that Customer has purchased and will continue to maintain the corresponding level of firm upstream pipeline capacity and upstream gas supply for the entire time period of November 1st through March 31st each year.
- Customer authorizes the Company to obtain the firm pipeline capacity information directly from the applicable upstream pipeline to ensure both the requisite level of capacity and that it is firm primary delivery point capacity at the appropriate location required to serve the facility.

- Customer furthermore certifies that it will maintain such firm primary delivery point capacity for each day of the November 1st through March 31st time period. If these certified arrangements should not be accurate, however, or if Customer's upstream pipeline capacity or upstream gas supply become insufficient for any reason, Customer is authorized by the Board of Directors or equivalent governing body to fully release CenterPoint Energy Arkansas Gas and CenterPoint Energy Resources Corp. from any and all claims, lawsuits, damages, costs, expenses, causes of action, and any and all liability associated with the interruption, curtailment, failure or suspension of natural gas service for any period of time. Customer further indemnifies CenterPoint Energy Arkansas Gas and CenterPoint Energy Resources Corp. from any and all claims, causes of action, lawsuits, damages, costs, expenses, and similar liability that might be asserted by third parties as a result of the interruption, curtailment, failure or suspension of natural gas service for any period of time. Nevertheless, to the extent applicable, nothing in this Agreement shall in any manner serve to waive the sovereign immunity of the State of Arkansas.
- In the event of any change in circumstances pertaining to Customer's upstream pipeline and upstream gas supply arrangements, Customer agrees to immediately notify the appropriate person at the Company by sending a certified letter to the Company's Gas Flow Information Center at the following address:

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Arkansas Gas
Gas Flow Information Center
525 Milam Street, Room 207
Shreveport, Louisiana 71101
Telephone No.: 1-800-254-4342
Facsimile No.: 1-318-429-3986

() Scenario B

- Customer certifies that the _____ facility located at _____, _____, has on hand a fully functioning _____ back-up energy system (Describe type of back-up system) that can replace natural gas as the energy source for all of the facility's human needs usage requirements. This back-up system is also capable of being a continuing and sustaining source of energy for all of the facility's human needs usage requirements. Accordingly, on behalf of the Board of Directors or equivalent governing body, Customer hereby certifies it does not require firm pipeline capacity and natural gas supplies to meet its facility's human needs usage requirements.
- Customer recognizes that if all or any portion of its natural gas supply fails to reach the appropriate CenterPoint Energy Arkansas Gas delivery point, its natural gas service may be interrupted or curtailed.
- Customer acknowledges that the Company's sole responsibility to it is to redeliver to Customer's facilities such gas supplies as Customer or its agents physically deliver to the Company's city gate, subject to the curtailment priority schedule (Policy Schedule No. 9)

which will not categorize Customer's facility as a human needs customer. In acknowledgement of these facts, should all or any portion of Customer's natural gas supplies fail to reach the appropriate Company city gate delivery point, Customer is authorized by the Board of Directors or equivalent governing body to fully release CenterPoint Energy Arkansas Gas and CenterPoint Energy Resources Corp. from any and all claims, lawsuits, damages, costs, expenses, causes of action, and any and all liability associated with the interruption, curtailment, failure or suspension of natural gas service for any period of time. Customer further indemnifies CenterPoint Energy Arkansas Gas and CenterPoint Energy Resources Corp. from any and all claims, causes of action, lawsuits, damages, costs, expenses, and similar liability that might be asserted by third parties as a result of the interruption, curtailment, failure or suspension of natural gas service for any period of time. Nevertheless, to the extent applicable, nothing in this Affidavit shall in any manner serve to waive the sovereign immunity of the State of Arkansas. In the event of any change in circumstances pertaining to our facility's energy backup system, Customer agrees to immediately notify the appropriate person at the Company by sending a certified letter to the Company's Gas Flow Information Center at the following address:

CenterPoint Energy Resources Corp.
d/b/a CenterPoint Energy Arkansas Gas
Gas Flow Information Center
525 Milam Street, Room 207
Shreveport, Louisiana 71101
Telephone No.: 1-800-254-4342
Facsimile No.: 1-318-429-3986

Section 6.3 – Customer agrees that Company shall have the right at any time and from time to time to file and place into effect unilateral changes or modifications in the rates and charges, and other terms and conditions of service hereunder, in accordance with applicable law. Company agrees that Customer may protest or contest any such charges or modifications.

Section 6.4 – Service hereunder shall be in accordance with and subject to, and both parties agree to be bound by, all applicable terms and conditions set forth in LCS-1, as in effect from time to time, which terms and conditions are incorporated herein by reference.

Section 6.5 – Customer agrees that, to the extent not already satisfied, Customer shall pay Company for the installation of appropriate telemetering equipment to be installed and owned by Company 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.

Under any option chosen above, Customer shall comply with all necessary and appropriate procedures, as required by Company, pertaining to the installation, reading, monitoring, testing, repair and maintenance of all telemetering and associated equipment.

Section 6.6 – To the extent applicable, nothing in this Agreement shall serve to waive the sovereign immunity of the State of Arkansas or its affiliated agencies, which is guaranteed under Article 5, Section 20 of the Arkansas Constitution.

Section 6.7 – This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas. Any proceeding related to any cause of action of any nature arising in this contract may be brought only before the appropriate forum in Arkansas.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date hereinabove first written.

COMPANY:

CENTERPOINT ENERGY RESOURCES CORP.
d/b/a CenterPoint Energy Arkansas Gas

By: _____

[Name] _____

[Title] _____

CUSTOMER: _____

By: _____

[Name] _____

[Title] _____

[Address] _____

EXHIBIT A
LARGE VOLUME COMMERCIAL CUSTOMER AGREEMENT
(TRANSPORTATION SUPPLY OPTION)

RECEIPT AND DELIVERY POINTS

Address: _____

CA# _____

Receipt Points

The gas will be received for Customer's account at the point(s) where the _____ (Upstream Pipeline) is interconnected with the distribution facilities of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Arkansas Gas at or near _____, Arkansas.

Delivery Point(s)

For the account of

Customer at Customer's

Facility located at

_____, Arkansas _____

QUANTITIES

Maximum Daily Winter Quantity ("MDWQ") _____ MMBt

Maximum Hourly Quantity ("MHQ") _____ MMBtu

Average Daily Volume _____ MMBtu