

## July 7, 2010 Centerpoint Gas Rate Changes

On July 7, 2010, the Oklahoma Corporation Commission issued a final order in Cause No. PUD201000030. This order approved a new set of rates under the annual Performance Based Rate review. The new rate design is meant to place more of the actual fixed cost to provide service in to the monthly customer charge. This change allowed for some of the volumetric, or usage based charges, to be lowered.

The examples below show the rate structure for residential and GS-1 (small business) compared for 2009 rates and the newly approved rate design. The new rates will result in slightly higher charges in low usage months as illustrated in Chart 2 under the 10 Ccf user column. The rates will then lower the tariff portion in the higher use months as illustrated in Chart 2 under the 30Ccf user column. Number in red with brackets illustrate reductions in tariff billing.

<b>Residential Tariff Rates</b>					
<i>Chart 1</i>	Customer Charge	First 30 Ccf	Next 70 Ccf	Next 100	Over 200
2009 Rates	\$ 9.28	\$ 0.4067	\$ 0.1400	\$ 0.0900	\$ 0.0750
	Customer Charge	*First 10 Ccf	Over 10 Ccf	Next 100	Over 200
New Rates	\$ 13.00	\$ 0.5003	\$ 0.1409	N/A	N/A
Difference	\$ 3.72	\$ 0.09	\$ 0.00		
<b>* Higher volumetric rate is now charged only on the first 10 Ccf rather than the first 30 Ccf.</b>					
Average Increase \$1.88 per month.					

<b>Residential Example Tariff Bills</b>					
<i>CHART 2</i>	10 Ccf User	30 Ccf User	75 Ccf User	100 Ccf User	200 Ccf User
Current Rates	\$ 13.35	21.481	27.781	31.281	40.281
New Rates	\$ 18.00	20.821	27.1615	30.684	44.774
IMPACT EXAMPLE	\$ 4.66	\$ (0.66)	\$ (0.62)	\$ (0.60)	\$ 4.49

<b>GS-1 Tariff Rates</b>					
<i>Chart 3</i>	Customer Charge	First 100 Ccf	Next 100	Next 1300	Next 6500
GS-1	\$ 15.79	\$ 0.4592	\$ 0.2000	\$ 0.1475	\$ 0.0900
	Customer Charge	First 100 Ccf	**Over 100Ccf	Next 1300	Next 6500
GS-1	\$ 22.33	\$ 0.5070	\$ 0.0840	N/A	N/A
Recommended Rates	\$ 22.33	\$ 0.5070	\$ 0.0840	N/A	N/A
<b>**Usage over 100 Ccf is now at a lower per unit rate.</b>					
Average Increase \$4.67 per month.					

<b>GS-1 Example Tariff Bills</b>			
<i>Chart 4</i>	100 Ccf User	500 Ccf User	1000 Ccf User
Current Rates	\$ 61.71	\$ 125.96	\$ 199.71
New Rates	\$ 73.03	\$ 106.63	\$ 148.63
IMPACT EXAMPLE	\$ 11.32	\$ (19.33)	\$ (51.08)