

Beaumont East Texas Division GRIP Filing

What is a Gas Reliability Infrastructure Program (GRIP) filing?

- An interim rate adjustment allowed by Texas Statute (Texas Utilities Code §104.301) that allows utilities to recover their costs related to additional invested capital without filing a full rate case.

Who can make GRIP filings?

- A natural gas utility with newly invested capital not already included in existing rate base can make an initial GRIP filing but only if the natural gas utility has filed a rate case within the preceding two years. Thereafter, an annual GRIP filing occurs. A full rate case must be filed no later than five and one-half (5 ½) years after the implementation of the initial GRIP filing.

When was CenterPoint Energy's most recent rate case?

- CenterPoint Energy filed its last rate case for the Beaumont East Texas Gas Division Gas Utilities Docket ("GUD") No. 10920 on November 14, 2019, and the final decision was rendered on June 16, 2020.

When was the Company's most recent GRIP filing?

- CenterPoint Energy made its first GRIP filing since its last rate case for the Beaumont East Texas Gas Division on March 4, 2021.

How is the adjustment amount calculated?

- The GRIP filing adjustment is intended to capture the cost of net incremental investment over that investment included in the last rate case; or since the most recent GRIP filing.
- Costs included are return on that investment, depreciation expense, and certain taxes. Factors used to calculate costs must be the same as those reflected in the final order, ordinance or settlement agreement approving current rates.

What is required of the utility?

- The new tariff or rate schedule must be filed with the appropriate regulatory authority (City and/or Railroad Commission) 60 days before the proposed implementation date.
- Notice to all affected customers must be provided within 45 days of filing with the regulatory authority.
- In each annual GRIP filing, the utility must provide the following information:
 - Annual Project Reports describing all new investments and retired plant.
 - The need for, the cost of, and the customers benefitted by the new investment.
 - An annual earnings monitoring report showing earnings in the past year.
- The adjustment must be recalculated annually.

What is the role of the regulatory authority?

- Within 60 days after the filing, the regulatory authority may suspend implementation of the proposed adjustment for up to 45 days.
- Once the interim increase in rates has been reviewed as part of a full rate case, the regulatory authority may order CenterPoint Energy to refund any amounts collected if the investment is found to be unnecessary or imprudent.
- The regulatory authority may open an inquiry under Texas Utilities Code §104.151 and set new rates if the current rates are found to be unreasonable.

Who is CenterPoint Energy?

- CenterPoint Energy provides natural gas distribution service to approximately 4.7 million residential, commercial and industrial customers in the states of Arkansas, Indiana, Louisiana, Minnesota, Mississippi, Ohio, Oklahoma and Texas. CenterPoint Energy serves approximately 191,000 customers in its Beaumont East Texas Division that will be impacted by this filing.

Customers in what cities will be affected by the Company's filing?

- This filing is for the entire Beaumont East Texas Division including the environs customers. We are filing with the cities below:

Anahuac	Goodrich	Marshall	Scottsville
Arp	Grand Saline	Mineola	Silsbee
Atlanta	Huntsville	Mount Pleasant	Sour Lake
Beaumont	Jacksonville	Nederland	Tatum
Beckville	Jefferson	New London	Tyler
Bloomburg	Kilgore	North Cleveland	Uncertain
Bridge City	Leary	Orange	Union Grove
Clarksville City	Liberty	Ore City	Waskom
Cleveland	Lindale	Overton	White Oak
De Kalb	Linden	Pittsburg	Winfield
Douglassville	Livingston	Red Lick	Winnsboro
Edgewood	Lone Star	Riverside	
Fruitvale	Longview	Rose Hill Acres	
Gladewater	Lufkin	Rusk	

- At the time of this filing, the cities below have given up original jurisdiction. These cities will be included as part of the rate filing made with the Railroad Commission:

Ames	East Mountain	Latexo	Shepherd
Avinger	Elkhart	Lovelady	Talco
Bevil Oaks	Gilmer	Lumberton	Tenaha
Big Sandy	Grapeland	Maud	Timpson
Bullard	Groveton	Mount Vernon	Trinity
Carthage	Hallsville	Nacogdoches	Troup
Center	Hawkins	Naples	Van
China	Henderson	New Boston	Vidor
Colmesneil	Hideaway	Omaha	Warren City
Corrigan	Hooks	Pine Forest	West Orange
Crockett	Hudson	Pinehurst	Whitehouse
Daingerfield	Hughes Springs	Queen City	Wills Point
Dayton	Jasper	Rose City	
Diboll	Kirbyville	San Augustine	

- The filing with the Railroad Commission will include the unincorporated areas below:

Beauxart Gardens	Eastham Farm	Mauriceville	Saratoga
Bronson	Ellis Ferguson Farm	McLeod	Stowell
Buna	Elysian Fields	Neches	Swan
Central	Evadale	New Willard	Sylvan-Harmony
Cheek	Fuller Springs	Orangefield	Victory Gardens
De Berry	Jonesville	Price	Winnie
Dodge	Leggett	Redland	

What customers are affected and how?

- The total increase of \$5,930,783 has been allocated among customer groups in the same manner as the current rates established in GUD No. 10920. The proposed effective date is May 3, 2021. Once it goes into effect, the GRIP interim rate adjustment will increase the customer charge that is applicable to customers served under the indicated sales service rate schedules within the Beaumont East Texas Division as follows:

Rate Schedule	Current Customer Charge	Proposed 2021 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
R-2098-I-GRIP 2021; R-2098-U-GRIP 2021 Residential	\$18.00 per customer per month	\$2.39 per customer per month	\$20.39 per customer per month	\$2.39 per customer per month
GSS-2098-I-GRIP 2021; GSS-2098-U-GRIP 2021 General Service Small	\$36.56 per customer per month	\$3.92 per customer per month	\$40.48 per customer per month	\$3.92 per customer per month
GSLV-629-I-GRIP 2021; GSLV-629-U-GRIP 2021 General Service Large Volume	\$132.90 per customer per month	\$18.31 per customer per month	\$151.21 per customer per month	\$18.31 per customer per month