



March 28, 2019

CenterPoint Energy  
1111 Louisiana Street  
Houston, TX 77002-5231  
P.O. Box 2628  
Houston, TX 77252-2628

Mayor and City Council  
City of Austin  
Austin, Texas

Re: CenterPoint Energy 2019 Annual GRIP Adjustment for the South Texas Division

Dear Madam or Sir:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company"), files the enclosed tariffs and supporting documents, including a CD of the electronic files, with the City of Austin ("City") consistent with Section 7.7101 of the Railroad Commission of Texas ("Commission") Gas Services Division Rules and Section 104.301 of the Texas Utilities Code to establish the annual gas reliability infrastructure program ("GRIP") interim rate adjustment ("IRA") for the Company's South Texas Division, which includes the City. The proposed IRA will affect rates for natural gas service customers located in the City. Simultaneously with this filing, CenterPoint makes the same GRIP filing with the Commission for customers located in the City's environs and cities of the South Texas Division that have ceded original jurisdiction to the Commission.

CenterPoint consistently supplies its customers in the South Texas Division with safe and dependable natural gas service by prudently investing in additions and upgrades to its delivery system. The Company will continue to prudently invest in its infrastructure in order to improve its natural gas service to its customers and to anticipate and meet their needs under all operating conditions. The GRIP program enables a gas utility such as CenterPoint to begin recovery of its incremental capital investment in the system, subject to a prudence review in its next rate case. This reduces regulator lag and incentivizes needed investment. Consistent with Section 104.301 of the Texas Utilities Code and Commission precedent, the City's review of this GRIP filing is limited to a ministerial review to ensure compliance with the GRIP statute.

Pursuant to applicable law, the proposed IRA will become effective on May 27, 2019, unless the City suspends that date for a period of no longer than forty-five (45) days. The approved IRA will be applied to the monthly customer charge and will remain in effect until superseded by the earlier of (1) the effective date of the Company's next annual GRIP adjustment for the South Texas Division; or (2) the issuance of a final order in a rate setting proceeding for the South Texas Division.

As detailed in the attached schedules and supporting material, the Company invested \$37,256,789 in its South Texas Division system between October 1, 2017 and December 31, 2018, and the applicable IRA is:

<b>Rate Schedule</b>	<b>Current Customer Charge</b>	<b>Proposed 2019 Interim Rate Adjustment</b>	<b>Adjusted Charge</b>	<b>Increase Per Bill</b>
R-2097-I-GRIP 2019; R-2097-U-GRIP 2019 Residential	\$19.00 per customer per month	\$2.04 per customer per month	\$21.04 per customer per month	\$2.04 per customer per month
GSS-2097-I-GRIP 2019; GSS-2097-U-GRIP 2019 General Service Small	\$25.00 per customer per month	\$4.16 per customer per month	\$29.16 per customer per month	\$4.16 per customer per month
GSLV-628-I-GRIP 2019; GSLV-628-U-GRIP 2019 General Service Large Volume	\$99.50 per customer per month	\$27.20 per customer per month	\$126.70 per customer per month	\$27.20 per customer per month

Along with and in support of the proposed IRA, CenterPoint includes the following:

- (a) An earnings monitoring report showing the Company's earnings for the South Texas Division during the 2018 calendar year (under the "Earnings Monitoring Report" section of the enclosed filing).
- (b) An Interim Rate Adjustment Application containing accounting schedules and project reports for the GRIP Adjustment Period including a description of (i) the projects undertaken during the GRIP Adjustment Period (ii) the investment to provide utility service in the South Texas Division, which were both completed and placed in service during the GRIP Adjustment Period, (iii) the Company's prior utility investments in the South Texas Division that were either retired or abandoned during the GRIP Adjustment Period, and (iv) the cost, need and customers benefited by those investments and retirements located in IRAs 12, 13, 14 and 15 which are voluminous and are being provided in electronic format only on CD.
- (c) The Company's calculations of the GRIP Adjustment amount to go into effect on the later of the Planned Effective Date or the end of any suspension period imposed (under the "Interim Rate Adjustment Application" section of the enclosed filing).
- (d) Affidavits by Kristie Colvin, Brian K. Gower and Tal R. Centers, Jr. (under the "Affidavits" section of the enclosed filing).



Ms. Colvin's affidavit verifies (i) that the South Texas Division's books and records are kept in accordance with the rules of the Commission and (ii) that the reports enclosed accurately reflect the South Texas Division's books and records related to the information in those reports.

- Mr. Gower's affidavit verifies the notice of the GRIP filing through customer bill inserts.
- Mr. Centers' affidavit concerns the reimbursement of relocation expenses.

In addition, the source documentation and workpapers supporting the data and calculations contained in the foregoing reports is maintained in CenterPoint's electronic databases which are available for review. To schedule an opportunity to review the electronic databases or any hard copy project files related to the new investment or retirements, please contact me at (713) 207-5946.

Notice of this proceeding will be provided to affected customers in the South Texas Division by bill insert or by separate mailing within 45 days after the date of this filing in accordance with the applicable law.

Please accept for filing the above-mentioned tariffs, filing package and enclosures and return the enclosed copy of this letter with your file mark thereon to acknowledge such filings for our records.

Although only the incorporated tariffs are applicable to the City, for administrative ease, the Company has included in its filing package both incorporated and unincorporated tariffs.

In some instances, the Company has added columns and changed formulas in the IRA forms in order to present accurate information. A list of the changes is being provided.

Please do not hesitate to contact us with any questions you may have regarding this filing.

Sincerely,



Keith L. Wall  
Director of Regulatory Affairs

Attachments

cc: Mr. Tal Centers  
Mr. Sam Chang  
Ms. Gracy Rodriguez

DELIVERED TO:

\_\_\_\_\_, \_\_\_\_\_ of  
NAME OFFICE (Mayor, City Secretary, etc.)

the City of Austin on this \_\_\_\_ day of March 2019.

\_\_\_\_\_  
SIGNATURE

### List of Changes to IRA Forms

Item	Changes	Tabs Affected
1	Adjustments columns have been added	IRA-7, IRA-10, IRA-16, IRA-17, IRA-18, IRA-19
2	The allocation factor has been hardcoded to reflect the current year's allocation factor instead of linking to the prior year's allocation factor	IRA-10
3	Changed the Allocation Factor column to link to IRA-10 instead of IRA-9	IRA-11
4	Changed the formulas for the columns to take the differences between IRA-10 and IRA-9	IRA-11