

Delta Mississippi Gas Company, LLC	MISSISSIPPI PUBLIC SERVICE COMMISSION
	RIDER DESIGNATION: RATE REGULATION ADJUSTMENT RIDER RRA
RATE AREA TO WHICH SERVICE IS APPLICABLE: Mississippi	
SERVICE TYPE: Gas	NO. OF SHEETS IN SCHEDULE: 24
SERVICE CLASS: Residential, Commercial, Large Volume, & Multi-Unit High Rise Condominium Service	DATE ISSUED: April 1, 2025 DATE APPROVED: December 3, 2024

RATE REGULATION ADJUSTMENT RIDER RRA

RATE REGULATION ADJUSTMENT (RRA) PLAN

1.1. APPLICATION

1.1.1. This Plan is applicable to Delta Mississippi Gas Company, LLC's ("Company") customers billed under any natural gas rate schedule incorporating the RRA Plan, or "the Plan."

1.1.2. The rates associated with the RRA will be calculated in accordance with Appendix 1.

1.2. APPLICATION OF RRA PLAN

1.2.1. (a) The Company's Allowed Return on Equity (hereinafter "AR") shall be calculated annually using the methodology in paragraph 1.3.2. The Earned Return on Equity (hereinafter "ER") shall be recalculated annually under this Plan using Appendix 1 to determine any rate change adjustments to become effective during the subsequent years. The cost of the Company's long-term debt shall be determined annually for the test-year ended December 31.

(b) A Return on Equity (hereinafter "ROE") dead-band of 200 basis points is hereby established. If the ER falls within this dead-band, then no change in rates shall occur. Any possible rate increase will be triggered only when the ER is more than 100 basis points below the AR, as explained in paragraph 1.4.1. Similarly, any credit and sharing with the Company's customers shall occur when the ER is greater than 100 basis points above the AR.

1.3. APPLICATION OF RRA PLAN CALCULATION PROCEDURE

1.3.1. For each twelve-month period ended December 31, a Commission determination shall be made pursuant to this RRA Plan as to whether the Company's revenue should be increased, decreased or left unchanged. If it is determined that the revenue should be increased, the natural gas rate schedules incorporating this RRA Plan will be adjusted in the manner set forth in paragraphs 1.4.3. and 1.6., below. If it is determined that a credit is

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required under this RRA Plan and the Company's revenue thereby decreased, then the Company shall flow the credit through to the customers served under any rate schedule incorporating this RRA Plan by reference in the manner set forth in paragraphs 1.4.4. and 1.6., below. Any rate increase or credit shall be apportioned to customers in the applicable rate classes in the manner set forth in paragraphs 1.4.3. and 1.4.4.

1.3.2. CALCULATION OF AR

THIS SECTION 1.3.2 IS SUSPENDED BY ORDER OF THE MISSISSIPPI PUBLIC SERVICE COMMISSION AS SET FORTH ABOVE AND AS SET OUT IN MORE DETAIL IN SAID ORDER.

For purposes of this RRA Plan, the AR is to be determined annually and shall be calculated by computing the simple average of the results from the following two methodologies plus 12.5 basis points as an adjustment for flotation (issuance) costs:

I. Discounted Cash Flow (DCF)

II. Regression Analysis

(1) Discounted Cash Flow

A. The following annual version of the DCF model shall be used.

$$K = \frac{D_1}{P_0} + g$$

Where:

K = Cost of common equity for each utility.

D₁ = The dividend for the next annual period calculated as Utility's current annualized dividend as determined from the current edition of The Value Line Investment Survey at December 31 times (one plus "g").

P₀ = Stock price for the utility. The stock price used in the formula shall be the average of the weekly closing stock prices for October through December as published by Yahoo.

$g =$ Growth rate for the utility. The average of the projected earnings growth rates for the utility reported by First Call (I/B/E/S 5-year median), and Zack's (120 day mean/consensus).

B. The DCF model shall be applied to a group of gas utilities derived from the companies contained in the Natural Gas (Distribution) Industry of the Value Line Investment Survey. The gas companies included in the group shall be those with annual operating revenues not less than one-half nor more than twice those of Delta Mississippi Gas Company, LLC (Company). In the event that the aforementioned selection criteria results in fewer than 10 sample companies, such group shall be represented by the ten companies in The Value Line Investment Survey list having the closest annual revenues to the Company; provided, however, that no company shall be included in the group if the required information concerning the company is not available or if the dividend growth rate is zero or a negative number, or it does not pay a cash dividend.

The DCF Model described above shall be performed for each comparable utility and the truncated mean, derived by discarding the highest and lowest results of the DCF calculations, for the group, shall be used as the DCF cost of equity.

(2) Regression Analysis

The regression analysis shall be estimated via ordinary least squares (OLS) regression with an adjustment for serial correlation. The serial correlation adjustment shall be the Prais-Winsten technique. If the Rho coefficient is found to be statistically significant at the 0.10 level, then the adjusted equation shall be used. If serial correlation is not detected, then the unadjusted equation shall be used

$$Y = a + b (\text{Bond}) + c (\text{Dummy})$$

The model shall use data for the period 1982 to the present. The dependent variable, Y , is the average return on common equity allowed in all gas cases by state (sometimes local) regulatory commissions as reported as reported by SNL Financial for a given calendar year. The independent variable, b (Bond), is Moody's average annual A-rated public utility bond seasoned yields for a given calendar year. The independent variable, c (Dummy), is a dummy variable to take account of unusual fluctuations in Y and b (Bond) at the beginning of the period of analysis. C (Dummy) takes on the value of one for the years 1982 – 1986 and zero for the remaining years. Parameters, a and b , from the estimated equation along with the monthly Moody's A-rated utility bond yields for the most recent calendar quarter are used to solve the equation and calculate the projected Y for the Company. Parameter c does not enter the final calculation, since Dummy is zero for all

years after 1986. If Rho is statistically significant, it does not enter the calculation either.

The most current version of the LIMDEP computer model will be used to estimate the equation.

1.4. ADJUSTMENT OF RATES

- 1.4.1. (a) If for the twelve-month period ended December 31, the Company's ER is greater than 100 basis points below the AR, the base rates under the rate schedules subject to this RRA Plan shall be increased for the amount necessary, in total, to restore the ROE to the AR. For example, assuming the AR is 10.50%, if the ER for a given review period were to generate revenue levels that are equal to or below an ROE of 9.49%, then rates would be increased by the amount necessary to bring the ROE to 10.50% (AR).
- (b) If for the twelve-month period ended December 31, the Company's ER is greater than 100 basis points above the AR, the portion of ER that is greater than the AR plus 50 basis points shall be shared on a 75%/25% basis between the customers and the Company, with the customers receiving the greater amount.
- 1.4.2. The RRA Plan shall be developed using the Schedules and Format outlined in Appendix 1 attached herewith. The amounts shall be the actual revenues and costs recorded in the books and records of the Company, except for the adjustments as provided for in paragraph 1.4.5. below.
- 1.4.3. Should a change in revenues be required under the terms of this RRA Plan, the rate increase or credit shall be allocated to the applicable rate classes using each class' percent contribution to the Test Year non-gas revenues. Fifty percent of the amount calculated under this RRA Plan shall be added to the monthly minimum bill and the remaining fifty percent to the net monthly volumetric rate for the first block of volumes under the applicable rate schedules. The Company will file revised rate schedules subject to this Plan with the Mississippi Public Service Commission ("MPSC") each time the rates are adjusted pursuant to this RRA Plan, and those revised rate schedules subject to this Plan shall then become the filed rates of the Company.
- 1.4.4. Should a credit be required as described in paragraph 1.4.1. of this RRA Plan, then the credit shall be made by crediting customer bills over a 12-month period beginning on or after thirty (30) days from the date of the filing, subject to the provisions of Section 1.6. The methodology of allocation of the credits will be the same as described in paragraph 1.4.3.

1.4.5. For purposes of making the RRA calculation:

- (a) The twelve months ended December 31 shall be the Test Year.
- (b) The Company shall make no pro forma adjustments to Test Year, per books revenue or expense amounts except as outlined in (d).
- (c) Rate base shall be computed in accordance with Appendix 1 and the following:
 - (1) plant in service shall include the gross plant amounts for FERC accounts 300-399 plus the allocated corporate plant;
 - (2) construction work in progress shall include those projects with an estimated remaining construction period of less than one year;
 - (3) accumulated depreciation reserve shall include the amounts recorded for FERC accounts 300-399 plus the accumulated depreciation reserve for the allocated corporate plant;
 - (4) working capital shall be based on the sum of the operating expenses recorded in FERC accounts 870-932, plus the interest paid on customer deposits, less depreciation expense related to autos, trucks, and power-operated equipment, multiplied by 12.5%;
 - (5) materials and supplies shall be the 13-month average balance in Account 154
 - (6) prepayments shall be the 13-month average balance in Account 165 excluding any amounts for the Mississippi State Franchise Tax and the Mississippi Public Utility Regulatory Tax
 - (7) gas storage shall be the 12-month average balance of actual storage and shall include the impact of any Asset Management Agreement (hereinafter "AMA") on gas inventory balances;
 - (8) deferred income taxes will include those taxes directly associated with an item in rate base (excluding Cash Working Capital), and if any such amounts are debits, they shall be netted against deferred income tax credits, and if the net amount is a debit, then it shall be an addition to rate base;
 - (9) bad debt reserve shall be based on the 13-month average balance in Account 144;

- (10) Net reserve accounts shall be based on the 13-month average balance for Accounts 228.2, and on the test-year ending balances for Accounts 228.3, and 253.0 determined as follows:
- (i) The reserve for Auto and General Liability in Injuries and Damages (228.2) will be based on an annual study performed by the Company's outside actuaries.
 - (ii) The reserve for Workers Compensation recorded in Injuries and Damages (228.2) is recorded at a corporate level and will be based on customer count.
 - (iii) The reserve for Postemployment Benefits – FAS 112 as recorded in Pensions and Benefits (228.3) is recorded at a corporate level based on an annual study performed by the Company's outside actuaries and will be based on gross payroll.
 - (iv) The reserves for Deferred Compensation (253.0), Savings Restoration Plan, and NorAm Restoration Plan as recorded in Pensions and Benefits (228.3) are recorded at a corporate level and will be based on gross payroll.
 - (v) The difference between the cumulative pension expense and cumulative contributions to the pension trust (retirement asset or liability) for Company is shown on the annual report by the Company's outside actuaries and will be based on gross payroll.
 - (vi) No reserve shall be included for Post retirement benefits because the expense is based on actual claims paid.
- Any debit amounts shall be netted against any credits to arrive at the net addition or reduction to rate base.
- (11) customer deposits (235) and customer advances (252.1) shall be included as a credit to rate base
- (12) Supplemental Growth (SG) rider net plant and associated accumulate deferred income taxes (ADIT) and regulatory assets and liabilities related to excess deferred income taxes (EDIT) shall be excluded during the 10-year period of the Rider SG. At the end of the 10-year period, the investments and related expenses for the first vintage year of Rider SG investments shall be recovered through the RRA. Thereafter, each year another vintage year of investments shall be transferred out of the Rider SG into the RRA Plan

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- (13) current and deferred regulatory assets (182:3) and liabilities (254) related to EDIT
- (14) Regulatory Assets and Liabilities and associated ADIT related to Energy Efficiency and Utility Return shall be excluded.
- (d) Operating revenues and expenses, per books, for the Test Year shall be adjusted as follows:
- (1) gas costs and gross receipts taxes shall be removed from both operating revenues and operating expenses;
 - (2) pension and postemployment benefit expenses shall be per-books Test Year amounts adjusted to remove the impact of any purchase acquisition;
 - (3) postretirement benefit expenses shall be adjusted to reflect the pay as you go amounts;
 - (4) tax rates used to determine the amount of income tax expense shall be the combined incremental federal and state income tax rate, giving effect to the deductibility of state income taxes for federal income tax purposes;
 - (5) Energy Efficiency expenses and revenues and Utility Return revenues shall be excluded; and
 - (6) Supplemental Growth Rider revenues and expenses shall be excluded.
- (e) A listing of all advertising expenses that have been included in the RRA calculation shall be provided with the RRA Plan filing.
- (f) The Company shall file Exhibits in the form of Appendix 1 hereto as appropriate.
- (g) The RRA Plan filing shall prominently identify any changes in the accounting policies, practices and procedures adopted during the Test Year.
- (h) The computation of the RRA will reflect a 55%/45% sharing of the AMA proceeds with the customers receiving the larger share through the Purchased Gas Adjustment.
- (i) Billing determinants for calculation of going-forward rate changes shall be determined based on the following parameters:

- (1) for weather normalization purposes, normal HDDs shall be as specified in the Company's Rider WNA - Weather Normalization Adjustment;
- (2) the regression shall be based upon the most recent 60 months of data ending the last month of the Test Year; and
- (3) average customer counts for the Test Year shall be used.

1.4.6. Within sixty days of the close of the twelve-month period during which a RRA credit was implemented, the Company shall submit to the Commission a report showing any amount over or under-refunded. Any resulting debits or credits shall be recovered or refunded through the Purchased Gas Adjustment.

1.5. FILING PROCEDURES

- 1.5.1 On or before May 1 for all test-years, during the term of this RRA Plan, the Company shall file with the MPSC, in the MPSC-prescribed format (See Attached Appendix 1): the original and three copies of its ER calculation; RRA calculation; supporting schedules and workpapers; and credit calculations, including revised rate schedules that may be warranted under this Plan. The Company shall simultaneously submit four copies of such documentation to the Staff. The Company shall also provide along with the initial filing the supporting documentation relied upon by the Company for any adjustments or annualized amounts presented in this filing.
- 1.5.2 The Staff shall review and audit the RRA filing, and may request clarification and additional data, and the Company shall provide the same.
- 1.5.3 If the Company determines that a credit is required under this RRA Plan, then the Company shall also file on or before May 1, a plan to flow the credit through to the customers served under any rate schedules incorporating the RRA Plan by reference.
- 1.5.4 The Company may implement Interim Rates as reflected in Section 1.6, below, on or after thirty (30) days from the date of the filing. The Interim Rates are subject to a 2% cap of the test-year adjusted operating revenue and will remain in effect through the date of implementation of the rates approved by a Commission order. If the Staff disputes the calculation of the ER, RRA, or the filed credit plan, or any component thereof, the Staff shall notify the Company on or before June 15.
- 1.5.5 The Company and the Staff shall work in good faith to resolve all disputes and answer all questions. The Company and the Staff shall jointly submit

a statement of disputed issues to the MPSC. Each party will then submit a memorandum brief explaining their position with respect to each issue. The MPSC shall resolve any remaining disagreements between the Company and the Staff regarding the said calculations or Plan on or before September 1 of the same year, and the Company shall adjust rates as soon as practicable in accordance with the MPSC's order and as set forth in Section 1.6, below.

- 1.5.6 No hearing shall be required if the amount of any annual adjustment is not a "major change" as defined in Miss. Code Ann. § 77-3-37(8), as amended. A hearing shall be required as provided Miss. Code Ann. § 77-3-2(3)(c)(ii) (1991), if the cumulative change in any calendar year exceeds the greater of Two Hundred Thousand and No/100 Dollars (\$200,000.00) or four percent (4%) of the annual revenues of the Company.

1.6. INTERIM RATE PROCEDURES

On or after thirty (30) days from the date of the filing, the Company may implement the Interim Rates pursuant to Section 1.5.4. Upon receipt of MPSC order, the Company will implement Commission approved rates. In the event that Staff disputes the proposed rates under Section 1.5.4, within sixty (60) days of a Commission order issued pursuant to Section 1.5.5, the Company shall submit to the Commission a report showing the amount collected through Interim Rates. If the amount collected through Interim Rates exceeds the amount ordered by the MPSC, the excess amount shall be refunded through a one-month per-customer refund, including interest. If Staff does not dispute the proposed rates pursuant to Section 1.5.4, then the proposed rates shall remain in effect until rates are adjusted pursuant to the following year's RRA Plan filing.

1.7. ENERGY EFFICIENCY ("EE")

- 1.7.1. In addition to any credits or base rate increases applied pursuant to the RRA Plan above, energy efficiency program costs ("EE Expenses"), lost contribution to fixed cost ("LCFC"), and a utility return adjustment ("Utility Return Adjustment"), collectively the "EE Program Rate", shall be recovered within the RRA and trued-up annually, as set forth in this section. The energy efficiency component of the RRA will be added to or subtracted from the Company's base rates and will be adjusted annually. Each adjustment shall be added to the base rates then in effect. The EE Program Rate will be effective January 1 of each EE Program Year ("Program Year") (i.e., the twelve-month period commencing on January 1 of each year).
- 1.7.2. EE Expense. The EE Expense shall be concurrently recovered beginning on January 1 and ending on December 31 of each Program Year. Such rates shall consist of the budgeted EE expenses for the upcoming Program Year as presented in the Company's concurrently filed Annual Energy Delivery Plan, shall be

calculated using the rate formulas set forth in Appendix 2, and shall be in addition to the LCFC, Utility Return Adjustment, and over-recovery/under-recovery, as set forth in Paragraphs 1.7.4, 1.7.5, and 1.7.6 below.

- 1.7.3 For the 2022 Program Year, the Company's Annual Energy Delivery Plan will be filed in July 2021 and effective January 2022. Beginning with the 2023 Program Year, concurrent with the RRA filing made in 2022, the Company shall propose the rates to be recovered during the Program Year, accompanied by work papers sufficient to fully document the computation of the proposed rates. The rates will become effective on January 1 or as the Commission shall otherwise determine.
- 1.7.4 LCFC. LCFC calculations shall accurately reflect energy savings caused by utility energy efficiency programs, and thus not sales reductions due to weather, changes in population, or background increases or decreases in customer's self-funded energy efficiency efforts. The Company shall maintain and report adequate data to support accurate calculation of revenues lost. The Company shall base LCFC applications and calculations on the best information available at the time of the application.
- 1.7.5 Utility Return Adjustment. The Company may treat specific EE investment costs identified in the Annual Energy Delivery Plan as regulatory assets that, along with an Utility Return Adjustment rate of return equal to the current AR pursuant to Paragraph 1.3.2 above, shall be recovered over a six-year period. Eligible investment costs may include, but are not limited to: 1) Demand-side management investments may include, but are not limited to, equipment, and rebates, marketing and delivery, direct installation costs (including plumbing installations), and any administration costs. Utility Return Adjustment may include information, technical assistance, leasing programs, product promotions, and direct financial inducements; 2) Financial inducements may include, but are not limited to, rebates, discounted products and services, appliances and alternative financing arrangements; and 3) Other investment costs may also include Enhanced Grid Investments ("EGI") and expansion of fiber infrastructure as defined in the MPSC's rules. Should the MPSC or the Company suspend the Utility Return Adjustment, the Company will be allowed to collect any EE investment costs previously deferred in such regulatory assets that have not been recovered.
- 1.7.6 True-up Adjustment. The EE Expenses and Utility Return Adjustment shall be trued-up annually. The True-up Adjustment shall consist of (1) the difference between the energy efficiency revenues collected during the prior Program Year, excluding the Utility Return Adjustment revenues, and the actual costs of the energy efficiency programs, including specific charitable contributions defined in the MPSC's rules; and (2) the difference between the utility return revenue requirement as trued up for the difference between budgeted and actual expenses during the period between the implementation of the EE Program Rate in the

Company's prior two RRA rate filings and the Utility Return Adjustment revenues collected during the same period. To this difference shall be added any remaining over/under balance remaining from the prior year. The True-up Adjustment shall be proposed as part of the RRA rate filing made pursuant to Paragraph 1.4 and shall be implemented January 1, or as the MPSC shall otherwise determine.

- 1.7.8 For each adjustment made pursuant to this Paragraph 1.7, the Company shall file an Exhibit in the form of Appendix 2 that sets forth the proposed adjustments to the rates.
- 1.7.9 Should the balance in the over-recovery or under-recovery account for energy efficiency program costs exceed ten (10) percent of the energy efficiency program costs approved by the MPSC for that Program Year, the Company may propose an interim revision to the then-currently effective energy efficiency program costs being collected by the Company. Should the MPSC or the Company suspend EE activity, the Company shall refund or collect any balance remaining in the over-recovery or under-recovery account for energy efficiency expenses and utility return.

1.8. APPLICABLE RATE SCHEDULES

- Residential Natural Gas Service (Rate Schedule 68)
- Commercial Natural Gas Service (Rate Schedule 69)
- Multi-Unit High-Rise Condominium Service (Rate Schedule 70)
- Large Volume Natural Gas Service (Rate Schedule 49)

RRA REVENUE REQUIREMENT
For the Test Year Ended December 31,

Line No.	Description	(A) Company Amount	(B) Adjustments	(C) RRA Adjusted Amount
1	Rate Base	\$ -		\$ -
2	Allowed Rate of Return	<u>0.0000%</u>		<u>0.0000%</u>
3	Operating Income Required	\$ -		\$ -
4	Actual Operating Income	<u>- \$</u>		<u>- \$</u>
5	Return Excess (Deficiency)	\$ -		\$ -
6	Income Tax Gross-up Factor	<u>1.3324</u>		<u>1.3324</u>
7	Calculated Base Rate Revenue (Deficiency)	\$0		\$0
8	RRA Distribution to Ratepayers (75%)			
9	RRA Distribution to Company (25%)			
Revenue Requirement				
10	Return Requirement (Line 3)	\$ -		\$ -
11	Income Tax Gross-up (Line 5 - Line 7)	\$ -		\$ -
12	Expenses	<u>- \$</u>		<u>- \$</u>
13	Base Rate Revenue Requirement (Line 10 + 11 + 12)	<u>\$ -</u>		<u>\$ -</u>

APPENDIX 1

RRA RATE BASE
For the Test Year Ended December 31, 20XX

	(A)	(B)	(C)	(D)	(E)
Line No.	Description	FERC Account	Company RRA Rate Base	Total Adjustments	RRA Adjusted
<u>PLANT IN SERVICE:</u>					
1	Plant in Service	101 *, 106		\$ -	\$ -
2	Construction Work in Progress	107		\$ -	\$ -
3	Less: Accumulated Depreciation	108 *, 111 *		\$ -	\$ -
4	Net Plant		\$ -	\$ -	\$ -
<u>OTHER RATE BASE INVESTMENT:</u>					
5	Cash Working Capital	See Sch. 3.3 CWC	\$ -	\$ -	\$ -
6	Prepayments	165		\$ -	\$ -
7	Materials & Supplies	154		\$ -	\$ -
8	Current Gas in Storage	164.1		\$ -	\$ -
9	EDIT Regulatory Assets	182.3 ***		\$ -	\$ -
10	Total Investment		\$ -	\$ -	\$ -
<u>DEDUCTIONS</u>					
11	Customer Deposits	235		\$ -	\$ -
12	Customer Advances	252.1		\$ -	\$ -
13	Bad Debt Reserve Accounts	144		\$ -	\$ -
14	Reserve Accounts	228.2, 228.3, 253 **		\$ -	\$ -
15	ACC Deferred Income tax	190, 282, 283		\$ -	\$ -
16	EDIT Regulatory Liabilities (1)	254 ***		\$ -	\$ -
17	TOTAL RATE BASE		\$ -	\$ -	\$ -

*Per FERC Chart of Accounts, ferc accounts 300-399 are summarized to ferc account 101, 108, and 111.
 **Deferred Compensation charged to ferc account 253 in subaccounts 265020 and 265025 is the only component included in the Reserve Accounts. Accounts 101, 106, 107, 108, 111, 235, 252.1, 228.3, 253, 190, 282, 283 and Cash Working Capital shall be test-year ending amounts. Accounts 165, 154, 144, and 228.2 shall be 13-month averages. Account 164.1 shall be the 12-month average.
 ***FERC's 182.3 and 254 related to new regulatory assets and liabilities shall be test-year ending amounts.
 (1) Other Regulatory Liabilities contains the net EDIT Regulatory Asset and Liability balances as of end of the test year

No new accounts may be added to this schedule unless approved in advance by the MPSC.

APPENDIX 1

CALCULATION OF CASH WORKING CAPITAL
For the Test Year Ended December 31,

LINE NO.	DESCRIPTION	FERC ACCOUNTS	(A) CENTERPOINT RRA INCOME STATEMENT	(B) TOTAL ADJUSTMENTS	(C) TOTAL INCOME STATEMENT
1	Operating Expenses	870-932	\$ -	\$ -	\$ -
2	Interest Paid on Customer Deposits	431		\$ -	\$ -
3	Depreciation Expense on Transportation	870-932 *			\$ -
4	Total Operating Expense		\$ -	\$ -	\$ -
5			12.50%	12.50%	12.50%
6	Cash Working Capital		\$ -	\$ -	\$ -

*Depreciation expense related to Transportation is charged to ferc accounts 870-932, and identified in general ledger account 702050.

No new accounts may be added to this schedule unless approved in advance by the MPSC.

APPENDIX 1

RRA ADJUSTMENTS TO RATE BASE
For the Test Year Ended December 31,

	(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Description	Total CenterPoint Rate Base	Adjustment No. 1	Adjustment No. 2	Adjustment No. 3	Total Adjustments RRA Rate Base
PLANT IN SERVICE:						
1	Plant in Service	\$ -				\$ - \$ -
2	Construction Work in Progress	\$ -				\$ - \$ -
3	Less: Accumulated Depreciation	\$ -				\$ - \$ -
4	Net Plant	\$ -	\$ -	\$ -	\$ -	\$ - \$ -
OTHER RATE BASE INVESTMENT:						
5	Cash Working Capital	\$ -				\$ - \$ -
6	Prepayments	\$ -				\$ - \$ -
7	Materials & Supplies	\$ -				\$ - \$ -
8	Current Gas in Storage	\$ -				\$ - \$ -
9	EDIT Regulatory Assets	\$ -				\$ - \$ -
10	Total Investment	\$ -	\$ -	\$ -	\$ -	\$ - \$ -
DEDUCTIONS						
11	Customer Deposits	\$ -				\$ - \$ -
12	Customer Advances	\$ -				\$ - \$ -
13	Bad Debt Reserve Accounts	\$ -				\$ - \$ -
14	Reserve Accounts	\$ -				\$ - \$ -
15	ACC Deferred Income tax	\$ -				\$ - \$ -
16	EDIT Regulatory Liabilities	\$ -				\$ - \$ -
17	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ - \$ -

No new accounts may be added to this schedule unless approved in advance by the MPSC.

APPENDIX 1

EXPLANATION OF RRA ADJUSTMENTS TO RATE BASE
For the Test Year Ended December 31,

ADJ. NO.	ADJUSTMENT DESCRIPTION	(A)	(B)
		IMPACT ON RATE BASE	
		INCREASE	(DECREASE)
		\$	- \$ -

APPENDIX 1

CAPITAL STRUCTURE
For the Test Year Ended December 31,

	(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Description	Capitalization Ratios	Cost of Capital	Weighted Cost of Capital	Income Tax Gross-up Factor	Weighted Cost of Capital With Income Taxes
I Allowed Return on Equity based on RRA Tariff, if above the AR						
1	Long Term Debt	50.00%	TBD	0.0000%	1.0000	0.0000%
	Equity:					
2	Common Stock	<u>50.00%</u>	TBD	<u>0.0000%</u>	1.3324	<u>0.0000%</u>
3	Total	100.00%		0.0000%		0.0000%
II Allowed Return on Equity based on RRA Tariff, if below the AR						
1	Long Term Debt	50.00%	TBD	0.0000%	1.0000	0.0000%
	Equity:					
2	Common Stock	<u>50.00%</u>	TBD	<u>0.0000%</u>	1.3324	<u>0.0000%</u>
3	Total	100.00%		0.0000%		0.0000%
III Calculation of Earned Return on Equity (ER)						
1	Long Term Debt	50.00%	TBD	0.0000%	1.0000	0.0000%
	Equity:					
2	Common Stock	<u>50.00%</u>	#DIV/0!	#DIV/0!	1.3324	#DIV/0!
3	Total	100.00%		#DIV/0!		#DIV/0!

APPENDIX 1

~~CenterPoint Energy Mississippi Division~~
RRA OPERATING INCOME STATEMENT
 For the Test Year Ended December 31,

LINE NO.	DESCRIPTION	FERC ACCOUNT	(A) CENTERPOINT RRA INCOME STATEMENT	(B) TOTAL ADJUSTMENTS	(C) TOTAL INCOME STATEMENT	(D) AUTHORIZED RATE CHANGE PER RRA	(E) RRA RESULTS
<u>OPERATING REVENUES:</u>							
1	Residential	480			\$ -	\$ -	\$ -
2	Commercial/Industrial	481			\$ -	\$ -	\$ -
3	Transportation Revenues	489.3			\$ -	\$ -	\$ -
4	Sub Total		\$ -	\$ -	\$ -	\$ -	\$ -
<u>OTHER UTILITY REVENUES:</u>							
5	Gas Forfeited Discounts	487			\$ -	\$ -	\$ -
6	Gas Misc Service Revenue	488			\$ -	\$ -	\$ -
7	Other Gas Revenues	493, 495			\$ -	\$ -	\$ -
8	Sub Total		\$ -	\$ -	\$ -	\$ -	\$ -
9	TOTAL OPERATING REVENUES		\$ -	\$ -	\$ -	\$ -	\$ -
<u>OPERATING EXPENSES:</u>							
10	Cost of Gas	800-869		\$ -	\$ -	\$ -	\$ -
11	Operations Expenses	870-932		\$ -	\$ -	\$ -	\$ -
12	Depreciation and Amortization Expense	403-407		\$ -	\$ -	\$ -	\$ -
13	Taxes Other Than Income Taxes	408.1		\$ -	\$ -	\$ -	\$ -
14	Income Tax	409.1, 410.1		\$ -	\$ -	\$ -	\$ -
15	TOTAL OPERATING EXPENSES		\$ -	\$ -	\$ -	\$ -	\$ -
16	OPERATING INCOME		\$ -	\$ -	\$ -	\$ -	\$ -
17	Interest Cost	430-432		\$ -	\$ -	\$ -	\$ -
18	Net Operating Income		\$ -	\$ -	\$ -	\$ -	\$ -
19	TOTAL EQUITY		\$ -		\$ -		\$ -
20	RETURN ON EQUITY (Ln 18 / Ln 19)		#DIV/0!		#DIV/0!		#DIV/0!

No new accounts may be added to this schedule unless approved in advance by the MPSC.

APPENDIX 1

RRA OPERATING INCOME STATEMENT ADJUSTMENTS
For the Test Year Ended December 31,

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		CENTERPOINT RRA INCOME STATEMENT	ADJUSTMENT NO. 1	ADJUSTMENT NO. 2	ADJUSTMENT NO. 3	ADJUSTMENT NO. 4	ADJUSTMENT NO. 5	ADJUSTMENT NO. 6	TOTAL ADJUSTMENTS	RRA INCOME STATEMENT
OPERATING REVENUES:										
1	Residential	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Commercial/Industrial	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Transportation Revenues	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Sub Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER UTILITY REVENUES:										
5	Gas Forfeited Discounts	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Gas Misc Service Revenue	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Other Gas Revenues	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Sub Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES:										
10	Cost of Gas	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
11	Operations Expenses	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
12	Depreciation and Amortization Expense	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
13	Taxes Other Than Income Taxes	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -
14	Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

No new accounts may be added to this schedule unless approved in advance by the MPSC.

APPENDIX 1

EXPLANATION OF RRA ADJUSTMENTS TO THE OPERATING INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31,

ADJ. NO.	ADJUSTMENT DESCRIPTION	IMPACT ON NET OPERATING INCOME	
		(A) INCREASE	(B) (DECREASE)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15	Associated Income Tax Adjustment		\$ -
	Total	\$ -	\$ -
	Total, without Income Tax		\$ -
	GRAND TOTAL	\$ -	

APPENDIX 1

PRO FORMA CALCULATION OF TAXABLE INCOME
For the Test Year Ended December 31,

Line No.	Description	(A) CenterPoint Results	(B) Test Year Adjustments	(C) Adjusted Results	(D) Recommended Increase	(E) Pro Forma Results
1	Operating Income Before Income Taxes		\$ -	\$ -	\$ -	\$ -
2	Increase (Decrease) in Taxable Income Interest on Long-Term Debt	\$ -	\$ -	\$ -		\$ -
3	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -
4	Taxable Income			\$ -	\$ -	\$ -
5	State Effective Tax Rate			5.0000%	5.0000%	5.0000%
6	State Income Tax (Ln 4 * 5)		\$ -	\$ -	\$ -	\$ -
7	Federal Taxable Income (Ln 4-6)			\$ -	\$ -	\$ -
8	Federal Tax Rate			21.0000%	21.0000%	21.0000%
9	Federal Income Tax (Ln 7 * 8)	\$ -	\$ -	\$ -	\$ -	\$ -
10	Total Income Taxes (Ln 6 + 9)	\$ -	\$ -	\$ -	\$ -	\$ -

APPENDIX 1

INTEREST CALCULATION
For the Test Year Ended December 31,

		(A)
<u>Line No.</u>	<u>Description</u>	<u>Pro Forma</u>
1	Rate Base (Schedule 3.2, Ln. 17)	\$ -
2	Weighted Cost of Debt (Schedule 5.1, Sec. I, Ln. 1, col. F)	<u>0.00%</u>
3	Interest on Debt	<u>\$ -</u>

APPENDIX 1

ADJUSTMENTS TO CURRENT TAXABLE INCOME
For the Test Year Ended December 31,

LINE NO.	DESCRIPTION	(A) INCREASE	(B) DECREASE
1	Adjustment To synchronize interest expense with RRA Rate Base Interest Expense	\$0	

APPENDIX 1

Energy Efficiency Reporting Schedules
Program Year Ended December 31, 20XX

Schedule 1

Line No.		TOTAL	Res	Small Commercial	Large Volume	Source
1	Class Allocation	0.0%	0.0%	0.0%	0.0%	7
2	Gross Investment	\$ -	\$ -	\$ -	\$ -	4
3	Accumulated Amortization	\$ -	\$ -	\$ -	\$ -	4
4	Accumulated Deferred Income Tax	\$ -	\$ -	\$ -	\$ -	4
5	Net Investment (Line 2 + Line 3 + Line 4)	\$ -	\$ -	\$ -	\$ -	
6	Authorized Return on Capital	0.00%				1.1
7	Return on Net Investment (Line 5 * Line 6)	\$ -	\$ -	\$ -	\$ -	
8	Income Tax	\$ -	\$ -	\$ -	\$ -	1.2
9	Utility Return (Over)/Under Collection Prior Period (2019)	\$ -	\$ -	\$ -	\$ -	2
10	Utility Return Revenue Requirement (Line 7 + Line 8 + Line 9)	\$ -	\$ -	\$ -	\$ -	
11	Amortization Expense	\$ -	\$ -	\$ -	\$ -	4
12	(Over)/Under Collection Prior Period (2019)	\$ -	\$ -	\$ -	\$ -	3
13	Energy Efficiency Revenue Requirement (Line 11 + Line 12)	\$ -	\$ -	\$ -	\$ -	
14	Budgeted Energy Efficiency Lost Contribution to Fixed Costs - Current Period	\$ -	\$ -	\$ -	\$ -	9
15	Total (Line 10 + Line 13 + Line 14)	\$ -	\$ -	\$ -	\$ -	
16	Projected Volumes		Ccf			
17			Mcf			
18	Utility Return Rate - (Line 10 / Line 16)		\$/Ccf			
19	(Line 10 / Line 17)		\$/Mcf		\$	
20	Lost Contribution to Fixed Costs Rate - (Line 14 / Line 16)		\$/Ccf			
21	(Line 14 / Line 17)		\$/Mcf		\$	
22	EE Program Rate - (Line 13 / Line 16)		\$/Ccf			
23	(Line 13 / Line 17)		\$/Mcf		\$	
24	New Total Effective Energy Efficiency Rate - (Line 18 + Line 20 + Line 22)		\$/Ccf			
25	(Line 19 + Line 21 + Line 23)		\$/Mcf		\$	
26	Prior EE Program Rate -		\$/Ccf			
27			\$/Mcf		\$	
28	Energy Efficiency Rate Adjustment to Base Rates - (Line 24 - Line 26)		\$/Ccf			
29	(Line 25 - Line 27)		\$/Mcf		\$	

APPENDIX 2