

# CenterPoint Energy Gas System Integration Program

Pascagoula natural gas system  
acquisition

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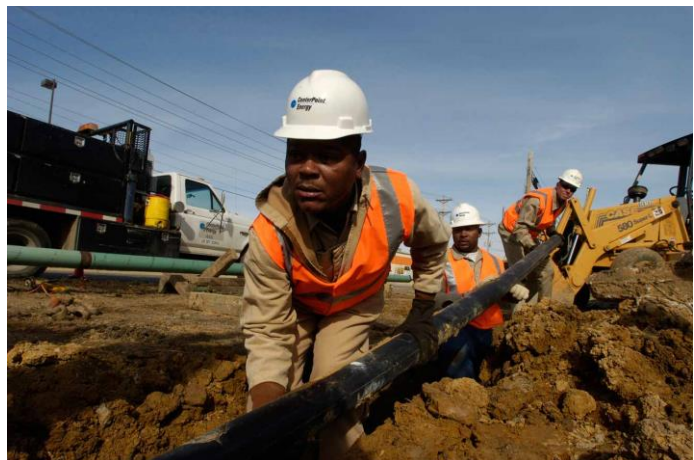
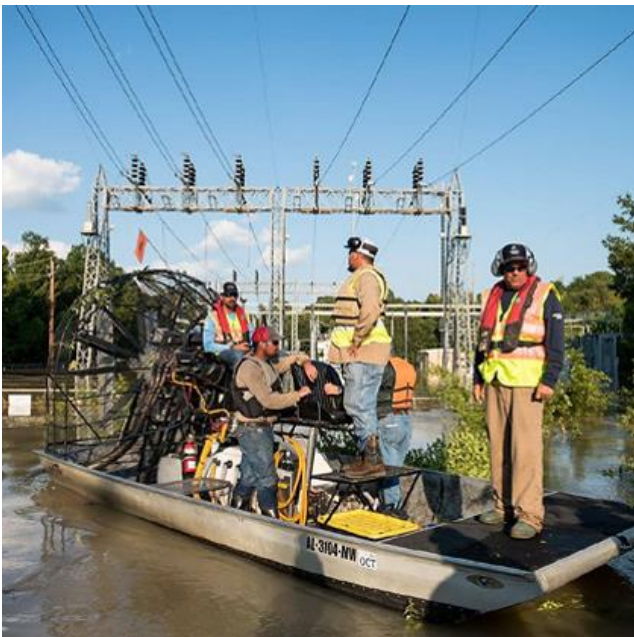
Community Presentation



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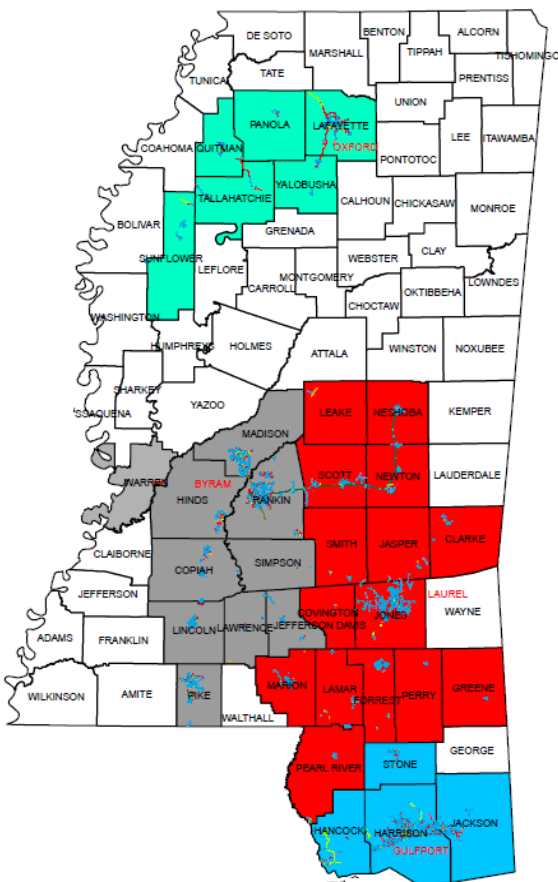


# Who We Are CenterPoint Energy



**CenterPoint Energy (CNP) is a leading gas and electric utility who serves the Gulf Coast region. Our mission is to lead the nation in delivering energy, service, and value. We are continuously looking to serve new communities.**

- 3.5 million gas customers in six states
- 125,000 customers in MS, serving the Gulf Coast since the 1940's
- Three "Emergency Recovery Awards" in 2018 from Edison Electric Institute restoration efforts after severe storms in Sealy, TX and hurricanes in Houston (Harvey) and Florida (Irma)



# Benefits of a CNP- Owned Gas System

## Exceptional Safety Standards



Safety is the number one core value at CenterPoint. Our Safety Forward initiative is top priority for all employees.

- A Fortune 500 company recognized as a leader in the utility industry, having a longstanding tradition of safety
- We use advanced natural gas leak detection technology, such as “Picarro” cars, to pinpoint issues and prioritize replacement sites
  - Picarro- has state-of-the-art sensors, making leak detection faster, more effective and accurate
- Investments in technology improve our safety monitoring and proficiency
- Accelerated pipe replacement programs are in place to increase the efficiency and safety of our gas distribution system



# Benefits of a CNP- Owned Gas System

## Commitment to Service



**Our J.D. Power award-winning customer satisfaction stems from our commitment to leading the nation in service. We employ top quality technicians with record productivity.**

- 24 hour customer access to emergency response technicians and customer service agents (separate customer service line for each jurisdiction)
- Emergency response qualified technicians- receives extensive annual training, and has over \$10K of equipment on trucks
- Service technicians respond rapidly to leak complaints. Leak mediation is provided at no additional charge to customers, often completed without disruption of service
- Customer payment options- online, telephone, automatic bank draft and levelized billing
- CNP has agreed to freeze base rates for customers of city system for 1 year after acquisition
- Advanced meter technology improves reading efficiency, eliminates the need to enter customers' property and reduces our carbon footprint



# Benefits of a CNP- Owned Gas System Service: Disaster Relief



When tragedy strikes, customers need a provider they can count on. In 2017, CNP was that provider after windstorms in Sealy, TX and Hurricane Harvey in Houston, TX. 200 of our personnel also aided Florida after Hurricane Irma. For Hurricane Katrina, over 200 trained employees and contractors restored the MS Gulf Coast natural gas system.

- Comprehensive Emergency Operations Plan with proven ability to execute and coordinated response to disasters
- Responded to 8,200 natural gas emergency calls after Hurricane Harvey in Houston (Category 4 hurricane, 52 inches of rain in one week)
- Donated \$1.25 million to recovery and relief efforts



# Benefits of a CNP- Owned Gas System

## Savings for the city



**The city would experience savings due to a reduction in liability, operating and maintenance costs.**

### ***Savings***

- Reduces insurance premiums for liability coverage
- Lost and Unaccounted Gas expense (ultimately paid by customers)
- Maintenance and Repairs
- Office of Pipeline Safety fines (EFV program reporting, Corrosion Control measures, Odorant usage and sampling, Key Valve maintenance, Emergency plan training)
- No contracting expenses to maintain regulatory compliance for maintenance programs (CP, Odorization, Public Awareness programs, Key Valves, etc.)
- Avoid crippling expenses associated with new safety requirements

# Benefits of a CNP- Owned Gas System Gains for the City



The city would gain revenue from annual franchise fees and the initial sale of the system.

## *Gains*

- CenterPoint has agreed to pay out \$3,000,000 for the system
- The city will also receive 3.7% of gross receipts for gas sales to the residents of Pascagoula. This is estimated at \$72,000 annually in franchise payments from CenterPoint



Always There.®





# Benefits of a CNP- Owned Gas System

## Questions & Answers



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