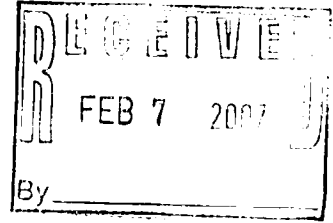




CenterPoint Energy  
3901 Airport Ave.  
Rosenberg, TX 77471-5403  
281 342 8881

February 02, 2007



City Of Baytown  
c/o City Secretary  
PO Box 424  
Baytown TX 77522

RE: Form CIQ of CenterPoint Energy Resources Corp. a/b/a CenterPoint  
Energy Texas Gas Operations

Dear Sir or Madam:

I am the District Manager for CenterPoint Energy Resources Corp. a/b/a CenterPoint Energy Texas Gas Operations ("CERC"), which provides natural gas service to your city/county. Pursuant to Chapter 176 of the Texas Local Government Code, we are hereby filing the enclosed Conflict of Interest Questionnaire ("CIQ") for CERC since we may have a contractual relationship with your city/county contemplated by the statute. If you have any questions about this filing, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink that appears to read "Douglas Ward".

Douglas Ward

District Manager  
(281) 391-5171

DMW/dkh

# CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

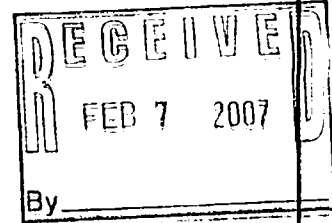
This questionnaire is being filed in accordance with chapter 176 of the Local Government Code by a person doing business with the governmental entity.

By law this questionnaire must be filed with the records administrator of the local government not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received



**1** Name of person doing business with local governmental entity.  
CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Texas  
Gas Operations (formerly known as Entex, Arkla) ("CERC")

**2**  Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than September 1 of the year for which an activity described in Section 176.006(a), Local Government Code, is pending and not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

**3** Describe each affiliation or business relationship with an employee or contractor of the local governmental entity who makes recommendations to a local government officer of the local governmental entity with respect to expenditure of money.

CERC's unincorporated division Texas Gas Operations engages in intrastate natural gas sales to, and natural gas transportation for, more than 1,420,500 residential, commercial, and industrial customers in over 200 communities in Texas. In 2004, approximately 99% of Texas Gas Operations' total throughout was attributable to retail sales and approximately 1% was attributable to transportation services. CERC's provision of gas and gas transportation services by necessity gives rise to numerous dealings in its service area with local governmental entities, as well as their employees and contractors. However, these dealings should not give rise to a conflict of interest because the terms and conditions for its services are set by tariffs approved by the cities in which we do business or the Texas Railroad Commission. Nevertheless, in the spirit of full disclosure, CERC provides on this form a description of its activities with local governmental entities.

There are many governmental entities in the service area served by CERC, including cities, counties and other governmental entities. In its normal course of providing gas and gas transportation services, CERC will regularly communicate with employees and contractors of local government entities, and in some instances is required to conduct business with such entities. For example, CERC has entered into franchise ordinances and street rental agreements with municipalities that, among other things, allow CERC to provide services in city rights-of-way, CERC pays municipalities a franchise fee for these rights. CERC on occasion may enter into other forms of agreements with local government entities in connection with its services, such as agreements relating to rights-of-way, Permits, and payment of taxes.

(Continued on Attachment)

**4** Describe each affiliation or business relationship with a person who is a local government officer and who appoints or employs a local government officer of the local governmental entity that is the subject of this questionnaire.

See Item 3 above.

# CONFLICT OF INTEREST QUESTIONNAIRE

For vendor or other person doing business with local governmental entity

FORM CIQ  
Page 2

**5 Name of local government officer with whom filer has affiliation or business relationship. (Complete this section only if the answer to A, B, or C is YES.)**

This section, item 5 including subparts A, 6, C & D, must be completed for each officer with whom the filer has affiliation or business relationship. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income from the filer of the questionnaire?

Yes

No

B Is the filer of the questionnaire receiving or likely to receive taxable income from or at the direction of the local government officer named in this section AND the taxable income is not from the local governmental entity?

Yes

No

C Is the filer of this questionnaire affiliated with a corporation or other business entity that the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes

No

D. Describe each affiliation or business relationship,

See Item 3 above.

**6 Describe any other affiliation or business relationship that might cause a conflict of interest.**

CERC, being a regulated entity that provides gas and gas transportation services in its service area, under terms set forth in its approved tariffs, does not believe that it has any affiliation or business relationship that causes a conflict of interest. See also Item 3 above,

7

CenterPoint Energy Resources Corp. d/b/a  
CenterPoint Energy Texas Gas Operations

By: \_\_\_\_\_

Signature of person doing business with the governmental entity

1-25-07

Date