

RESOLUTION NO. R-2008-01

RESOLUTION OF THE CITY OF SHOREACRES, TEXAS (“CITY”) TO AUTHORIZE THE SUSPENSION OF THE EFFECTIVE DATE OF THE RATES AND TARIFFS OF CENTERPOINT ENERGY ENTEX (“CENTERPOINT”) FOR NINETY DAYS WITH REGARD TO THE STATEMENT OF INTENT FILED WITH THE CITY ON MARCH 6, 2008; REQUIRING CENTERPOINT TO REIMBURSE REASONABLE RATE CASE EXPENSES; AUTHORIZING A CITY REPRESENTATIVE TO JOIN A COALITION OF CITIES TO DIRECT EXPERTS AND SPECIAL COUNSEL TO ACT ON THE CITY’S BEHALF; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE FOR THE RESOLUTION.

WHEREAS, on or about March 6, 2008, CenterPoint Energy Entex filed a Statement of Intent to increase gas rates for its retail customers located in the Texas Coast Division; and

WHEREAS, the gas utility rates for CenterPoint Energy Entex have not been reviewed for over thirty years; and

WHEREAS, over the last thirty years there have been dramatic changes in the corporate structure of CenterPoint Energy Entex; and

WHEREAS, CenterPoint Energy Entex is seeking to dramatically increase the cost of non-gas costs (base rates) for residential customers; and

WHEREAS, in order to review the costs and rate changes proposed by CenterPoint it is necessary to suspend the effective date for 90 days; and

WHEREAS, in order to efficiently, meaningfully and comprehensively review the rate filing by CenterPoint Energy Entex it is advantageous for the City to join with other similarly affected cities in a coalition of cities; and

WHEREAS, typically coalitions of cities, in response to rate requests by gas utilities, provide direction to rate experts and utility lawyers.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREACRES, TEXAS THAT:

Section 1. That the findings set out in the preamble are in all things approved and adopted.

Section 2. The effective date for the CenterPoint Statement of Intent and related tariffs are effectively suspended for 90 days, from April 10, 2008 until July 9, 2008.

Section 3. The statutory timeline may be further extended if CenterPoint does not provide timely and meaningful public notice of its request to increase rates or if its rate filing package is materially deficient.

Section 4. The City is authorized to join with a coalition of similarly situated cities for the purpose of providing direction and input to rate experts or utility lawyers hired by the coalition.

Section 5. The City retains its right to withdraw from the coalition of cities at any time without any financial obligation to the remaining coalition members or to the experts or lawyers hired by the coalition.

Section 6. The City designates City Administrator David Stall as the City's representative to the coalition of cities and the representative is vested with the authority to help organize such a coalition of cities.

Section 7. The City is authorized to intervene in any proceeding at the Railroad Commission of Texas related to CenterPoint's Statement of Intent and any appeals thereof.

Section 8. CenterPoint is ordered to pay the City's reasonable rate case expenses in a timely manner.

Section 9. The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 10. This resolution shall be effective immediately upon passage.

PASSED AND APPROVED this 24th day of March 2008.



Mayor

ATTEST:



City Secretary