

RESOLUTION NO. 2009-19

RESOLUTION OF THE CITY OF SHOREACRES TEXAS ("CITY") TO AUTHORIZE THE SUSPENSION OF THE EFFECTIVE DATE OF THE RATES, SCHEDULES AND TARIFFS OF CENTERPOINT ENERGY ENTEX ("CENTERPOINT GAS") FOR NINETY DAYS WITH REGARD TO THE FILING BY CENTERPOINT GAS WITH THE CITY ON MAY 1, 2009; 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; AUTHORIZING THE RETENTION OF SPECIAL COUNSEL AND RATE CONSULTANT FIRMS; 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 May 1, 2009, CenterPoint Energy Entex filed a request to increase gas rates for the Texas Coast Division by approximately \$2 million through changes in rate schedules. The filing was entitled "Cost of Service Adjustment". The changed rate schedules were made with the City for in-city customers and at the Railroad Commission of Texas for customers located outside municipal boundaries; and

WHEREAS, the City has participated as a member of the Texas Coast Utilities Coalition ("TCUC"), a coalition of cities located in the service territory of the Texas Coast Division of CenterPoint Gas ; and

WHEREAS, in order to efficiently, meaningfully and comprehensively review the changed rate schedules filed by CenterPoint Gas it is advantageous for the City to continue to participate as a member of the Texas Coast Utilities Coalition; and

WHEREAS, given the knowledge and experience of the rate consultants and special counsel employed by the Texas Coast Utilities Coalition cities in reviewing the books and records of CenterPoint Gas in the last general rate case, Docket No. 9791, it is advantageous for the City as a member of Texas Coast Utilities Coalition to continue to retain such firms; and

WHEREAS, CenterPoint Gas designated August 1, 2009 as the effective date for the rate increases reflected in its rate schedules; and

WHEREAS, TCUC, through its consultants, has been examining the books and records of CenterPoint Gas, but at this point it appears that its review will not be completed by August 1, 2009 ; and

WHEREAS, under Texas law, the City has the right to suspend the effective date for up to ninety days.

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 changes in rate schedules is suspended for ninety days. The last day of the suspension period would be October 30, 2009, but the City may issue a decision in this matter prior to the expiration of the suspension period.

Section 3. The City, as a member of the Texas Coast Utilities Coalition, continues its retention of Diversified Utilities Consultants, Inc. and the law firm of Herrera & Boyle, PLLC, to act on its behalf with regard to matters related to the requested change in rate schedules by CenterPoint Gas; and

Section 4. The City will act as a member of the coalition of cities known as the Texas Coast Utilities Coalition in reviewing the appropriateness of the changes in rate schedules proposed by CenterPoint Gas. The City Manager and City Attorney or their designates will act as the City's representatives with regard to directing the activities of the Texas Coast Utilities Coalition.

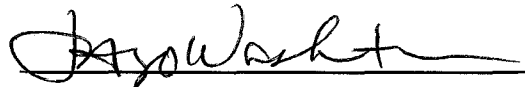
Section 5. The City orders CenterPoint Gas to reimburse the cost of its reasonable rate case expenses. The City will have no obligation for payment of any rate case expenses that are not reasonable.

Section 6. 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 or its members.

Section 7. 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.

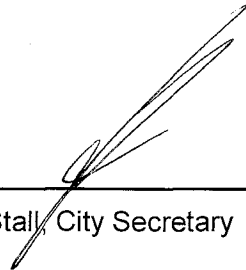
Section 9. This resolution shall be effective immediately upon passage.

PASSED AND APPROVED this 13th day of July, 2009.



Jayo Washington, Mayor

ATTEST:



David K. Stall, City Secretary