

**RESOLUTION NO. 2010-40**

**A RESOLUTION BY THE CITY OF SHOREACRES, TEXAS, ("CITY") RESPONDING TO THE APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC (CENTERPOINT) FOR AUTHORITY TO CHANGE RATES AND ADOPT CERTAIN RATE RIDERS; AUTHORIZING THE CITY TO PARTICIPATE IN A COALITION OF CITIES KNOWN AS TEXAS COAST UTILITIES COALITION OF CITIES (TCUC); AUTHORIZING THE CITY'S INTERVENTION IN PUC DOCKET NO. 38339 AND ANY RELATED PROCEEDINGS AS PART OF TCUC; AUTHORIZING THE HIRING OF COUNSEL AND EXPERTS THROUGH TCUC; REQUIRING THE REIMBURSEMENT OF COSTS; DETERMINING THAT THE MEETING COMPLIED WITH THE TEXAS OPEN MEETINGS ACT; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND, DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, on or about June 30, 2010, CenterPoint Energy Houston Electric, LLC (CenterPoint) filed with the City Secretary an application for authority to change rates and to adopt certain rate riders ("the application"); and

**WHEREAS**, simultaneously with the filing of the application with the City Secretary, CenterPoint filed a similar if not identical application with the Public Utility Commission of Texas ("PUCT" or "Commission") which has been docketed as Docket No. 38339; and

**WHEREAS**, CenterPoint is requesting an increase to retail transmission and distribution rates of approximately \$76 million, and wholesale transmission rates of about \$18 million; and

**WHEREAS**, as part of CenterPoint's application, CenterPoint also requests approval of several rate riders, including the "Rider DCRF" (distribution cost recovery factor); and

**WHEREAS**, CenterPoint's request for approval of its Rider DCRF and other riders raises several legal, policy, and substantive issues, and

**WHEREAS**, the City has been participating as a member of the Texas Coast Utilities Coalition of Cities (TCUC), a coalition of similarly situated municipalities; and

**WHEREAS**, the City has benefitted from its participation in the coalition through the sharing of costs and expertise; and

**WHEREAS**, given the complexity in determining the reasonableness of CenterPoint's current and proposed rates and proposed rate riders, it is necessary to participate with TCUC in order to hire special counsel and experts for the purpose of assisting the City in its role as a regulatory authority under the Public Utility Regulatory Act ("PURA"); and

**WHEREAS**, the application filed by CenterPoint with the City and at the Commission is a request for a change in rates, the City is entitled to have its reasonable rate case expenses reimbursed by the electric utility in ratemaking proceedings.

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

**Section 1.** The statements and findings set out in the preamble to this resolution are hereby in all things approved and adopted.

**Section 2.** The City authorizes the law firm of Herrera & Boyle, PLLC to file an intervention in Docket No. 38339 and related proceedings at the Commission on behalf of the City as a member of the Texas Coast Utilities Coalition of Cities (TCUC).

**Section 3.** The City is authorized to participate as a member of TCUC and to retain the law firm of Herrera & Boyle, PLLC to represent its interests related to CenterPoint's application and to retain such experts as are appropriate for such a proceeding.

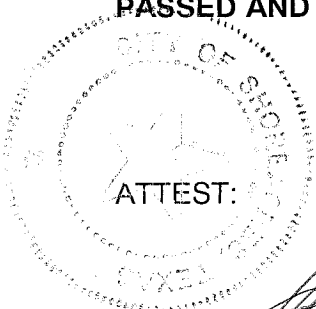
**Section 4.** The City retains its right to withdraw from TCUC at any time without any financial obligation to the remaining coalition members or to the experts or lawyers hired by the coalition after its withdrawal.

**Section 5.** CenterPoint is ordered to pay the City's reasonable rate case expenses incurred in response to CenterPoint's application in a timely manner.

**Section 6.** 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 7.** This resolution shall be effective immediately upon passage.

**PASSED AND APPROVED** this 12th day of July 2010.



CITY SECRETARY

*Richard Adams*  
MAYOR