

RESOLUTION NO. 2010-41

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; SUSPENDING CENTERPOINT'S PROPOSED EFFECTIVE DATE; 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, on or about June 30, 2010, CenterPoint also 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 in its 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, CenterPoint did not identify in its application a specific proposed effective date for its proposed changes in rates; and

WHEREAS, the earliest effective date CenterPoint may propose under the Public Utility Regulatory Act (PURA) is August 4, 2010, based on a filing date of June 30, 2010; and

WHEREAS, on July 19, 2010, CenterPoint notified the Public Utility Commission of Texas that CenterPoint intended to propose an effective date of August 6, 2010; 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 of determining the reasonableness of CenterPoint's current and proposed rates and proposed rate riders, a determination of the reasonableness of CenterPoint's application and its various proposed changes in rates cannot be made before expiration of August 6, 2010; and

WHEREAS, given the complexity of determining the reasonableness of CenterPoint's current and proposed rates and proposed rate riders, the City requires more time to carry out its duties as the local regulatory authority with exclusive original jurisdiction within the City;

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

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

Section 2. The City does hereby suspend the effective date of CenterPoint's proposed rate changes for a period of 90 days, which results in a suspension to November 4, 2010.

Section 3. 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 4. This resolution shall be effective immediately upon passage.

PASSED AND APPROVED this 26th day of July 2010.



ATTEST:

CITY SECRETARY DAVID STALL



MAYOR DOLLY ARONS