

**RESOLUTION No. 2016-219
CITY OF SHOREACRES**

A RESOLUTION BY THE CITY OF SHOREACRES SUSPENDING THE EFFECTIVE DATE FOR NINETY DAYS IN CONNECTION WITH THE STATEMENT OF INTENT FILED BY CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS ON OR ABOUT NOVEMBER 16, 2016; AUTHORIZING PARTICIPATION IN A COALITION OF SIMILARLY SITUATED CITIES; AUTHORIZING PARTICIPATION IN RELATED RATE PROCEEDINGS; AUTHORIZING THE RETENTION OF SPECIAL COUNSEL; REQUIRING THE REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

* * * *

WHEREAS, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or "Company") filed a Statement of Intent with the City on or about November 16, 2016 to increase rates in the Company's Houston and Texas Coast Divisions; and

WHEREAS, the City is a regulatory authority under the Gas Utility Regulatory Act ("GURA") and under § 103.001 et seq. of GURA has exclusive original jurisdiction over CenterPoint's rates, operations and services within the municipality; and

WHEREAS, CenterPoint intends to consolidate its current Houston and Texas Coast Divisions into a single Texas Gulf Division and implement the revised gas tariffs on a division-wide basis for customers in the Texas Gulf Division effective December 21, 2016; and

WHEREAS, CenterPoint plans to increase non-gas base revenue by approximately \$31.0 million, representing an increase in non-gas base revenue of approximately 10.7%; and

WHEREAS, the City of Shoreacres is located in the currently existing Texas Coast Division; and

WHEREAS, on a customer-class basis, for Texas Coast Division customers, the impact is as follows:

	Average Current Monthly Bill, including Gas Cost	Average Proposed Monthly Bill, including Gas Cost	Proposed Monthly Change	Percentage Change with Gas Cost / without Gas Cost
Residential	\$36.22	\$37.32	\$1.10	3.0% / 5.0%
General Service-Small	\$102.41	\$102.90	\$0.49	0.5% / -0.9%
General Service – Large Volume	\$1,316.42	\$1,317.74	\$1.32	0.1% / -6.5%

WHEREAS, CenterPoint proposes to increase its customer charges for Texas Coast Division customers for “General Service – Residential” from \$16.17 to \$16.75; increase the customer charge for “General Service – Small” from \$17.20 to \$18.25; and increase the customer charge for “General Service – Large Volume” from \$56.45 to \$70.00; and

WHEREAS, the Company seeks a Return on Equity (ROE) of 10.25%; a capital structure weighted toward equity – 55.15% Equity; 44.85% Debt; and

WHEREAS, CenterPoint’s rate request consists of a voluminous amount of information including CenterPoint’s rate-filing package, exhibits, schedules, and workpapers; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating CenterPoint’s rate request and its changes in tariffs it is prudent to coordinate the City’s efforts with a coalition of similarly situated municipalities; and

WHEREAS, the City, in matters regarding applications by CenterPoint to change rates, has in the past joined with other local regulatory authorities to form the Texas Coast Utilities Coalition ("TCUC") and hereby continues its participation in TCUC; and

WHEREAS, CenterPoint proposed December 21, 2016 as the effective date for its requested increase in rates; and

WHEREAS, it is not possible for the City to complete its review of CenterPoint's filing by December 21, 2016; and

WHEREAS, the City will need an adequate amount of time to review and evaluate CenterPoint's rate application to enable the City to make a final decision as a local regulatory authority with regard to CenterPoint's requested rate increase; and

WHEREAS, the City will require the assistance of specialized legal counsel and rate experts to review the merits of CenterPoint's application to increase rates; and

WHEREAS, CenterPoint simultaneously filed its statement of intent to increase rates with the Railroad Commission of Texas, therefore the decision of the Railroad Commission of Texas could have an impact on the rates paid by the City and its citizens who are customers of CenterPoint, and in order for the City's participation to be meaningful, it is important that the City promptly intervene in such proceeding at the Railroad Commission of Texas.

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

Section 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

Section 2. CenterPoint's proposed effective date for its proposed increase in rates is hereby SUSPENDED for ninety days beyond its proposed effective date.

Section 3. The statutory suspension period will be extended automatically day for day should CenterPoint extend its proposed effective date, and may be further extended if CenterPoint does not provide timely, meaningful, and proper public notice of its request to increase rates, or if its rate-filing package is materially deficient.

Section 4. The City authorizes intervention in proceedings related to CenterPoint's Statement of Intent before the Railroad Commission of Texas and related proceedings in courts of law as part of the coalition of cities known as Texas Coast Utilities Coalition ("TCUC").

Section 5. The City hereby orders CenterPoint to reimburse the City's rate case expenses as provided in the Gas Utility Regulatory Act and that CenterPoint shall do so on a monthly basis and within 30 days after submission of the City's invoices for the City's reasonable costs associated with the City's activities related to this rate review or to related proceedings involving CenterPoint before the City, the Railroad Commission of Texas, or any court of law.

Section 6. Subject to the right to terminate employment at any time, the City retains and authorizes the law firm of Herrera & Boyle, PLLC to act as Special Counsel with regard to rate proceedings involving CenterPoint before the City, the Railroad Commission of Texas, or any court of law and to retain such experts as may be reasonably necessary for review of CenterPoint's rate application subject to approval by the City.

Section 7. The City, or its designee member city in the Texas Coast Utilities Coalition of cities, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to CenterPoint for reimbursement.

Section 8. A copy of this resolution shall be sent to CenterPoint Energy, care of Mr. Thomas Stevens, Director of Regulatory Affairs, CenterPoint Energy P.O. Box 2628, Houston, Texas 77252-2628; and to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Ave., Suite 1250, Austin, Texas 78701.

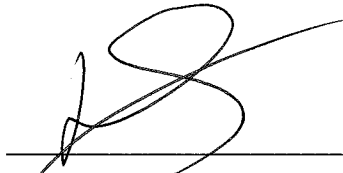
Section 9. The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 10. This resolution shall become effective from and after its passage.

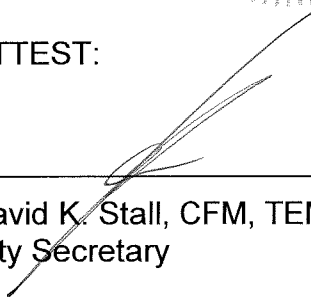
PASSED AND APPROVED, this 12th day of December, 2016.



CITY OF SHOREACRES

By: 
Kimberly Sanford, Mayor

ATTEST:


David K. Stall, CFM, TEM
City Secretary

M/2		Yea	Nay	N/V	Absent
<input type="checkbox"/>	K. Sanford	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	R. Bowles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	R. Hoskins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	D. Jennings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	J. McKown	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	N. Schnell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passed / Failed  12.12.16
David Stall, City Secretary - Date