

RESOLUTION No. 2017-250
CITY OF SHOREACRES

A RESOLUTION BY THE CITY OF SHOREACRES, TEXAS (“CITY”) DENYING THE DISTRIBUTION COST RECOVERY FACTOR RATE INCREASE OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC MADE ON OR ABOUT APRIL 6, 2017; AUTHORIZING PARTICIPATION IN A COALITION OF SIMILARLY SITUATED CITIES; AUTHORIZING PARTICIPATION IN RELATED RATE PROCEEDINGS; REQUIRING THE REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; AUTHORIZING THE RETENTION OF SPECIAL COUNSEL; 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, on about April 6, 2017, CenterPoint Energy Houston Electric, LLC (“CenterPoint”) filed an application for authority to implement a Distribution Cost Recovery Factor with the City to increase rates effective September 1, 2017; and,

WHEREAS, the City is a regulatory authority under the Public Utility Regulatory Act (“PURA”) and under Chapter 33, §33.001 et seq. of PURA has exclusive original jurisdiction over CenterPoint’s rates, operations, and services within the municipality; and,

WHEREAS, CenterPoint plans to increase its revenue requirement by about \$44 million per year; and,

WHEREAS, the jurisdictional deadline for the City to act in this rate matter is 60 days from the application date or June 5, 2017; 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, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating CenterPoint’s rate request 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") of cities and hereby continues its participation in TCUC; and,

WHEREAS, the City, joined with other local regulatory authorities and intervened in proceedings regarding CenterPoint's DCRF application before the Public Utility Commission of Texas in CenterPoint's DCRF application filed in 2016; and,

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

WHEREAS, CenterPoint failed to show that its proposed rate increase is reasonable and therefore the City has concluded that CenterPoint's proposed rate increase is unreasonable;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHOREACRES, TEXAS, 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. The City DENIES the rate increase CenterPoint filed on or about April 6, 2017.

Section 3. The City authorizes intervention in proceedings related to CenterPoint's application for approval of a DCRF before the Public Utility 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 4. The City hereby orders CenterPoint to reimburse the City's rate case expenses as provided in the Public 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 Public Utility Commission of Texas, or any court of law.

Section 5. 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

Public Utility 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 6. The City shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to CenterPoint for reimbursement.

Section 7. A copy of this resolution shall be sent to CenterPoint Energy, care of Mr. Denise Gaw, CenterPoint Energy Service Company, LLC, 1111 Louisiana Street, Houston, Texas 77002; and to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Ave., Suite 1250, Austin, Texas 78701.

Section 8. 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 become effective from and after its passage.

PASSED AND APPROVED, this 24th day of April, 2017.

CITY OF SHOREACRES

(CITY SEAL)

By: _____
Kimberly Sanford, Mayor

ATTEST:

David K. Stall, CFM, TEM
City Secretary

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

Passed / Failed

04.24.17
David Stall, City Secretary - Date