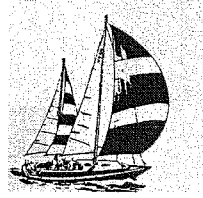


City of Shoreacres



NOTICE OF MEETING

Notice is hereby given that a Regular Meeting of the
City Council
of the City of Shoreacres, Texas, will be held on
Monday, July 13, 2015 at 7:00 p.m.
in the City Council Chambers on the first floor at City Hall, 601 Shore Acres Blvd.,
Shoreacres, Texas, at which time the following subjects will be discussed, to wit:

1.0 CALL TO ORDER / ROLL CALL: Members Present and Absent

2.0 PLEDGES OF ALLEGIANCE

Texas Pledge:

Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

3.0 SPECIAL PRESENTATIONS

3.1 None.

4.0 APPROVAL OF MINUTES

4.1 Regular Council Meeting: June 22, 2015.

5.0 COUNCIL REPORTS & REQUESTS

5.1 Mayor Moses

5.1.1 Meeting with State Representative Dennis Paul.

5.1.2 Discussions with TxDOT in reference to SH-146 sound wall.

5.1.3 Youth fishing tournament.

5.1.4 City's participation in the La Porte Independence Day parade.

6.0 PUBLIC HEARINGS & PUBLIC COMMENTS

6.1 Public Comments

This is the opportunity for the public to address council or comment on items which appear on the agenda. Time is limited to five minutes per speaker. Comments are to be directed to the city council and dialogue with the audience is not permitted. Councilmembers are prohibited by law from participating in discussion or deliberation of items not specifically identified on this agenda.

7.0 ADMINISTRATIVE REPORTS

7.1 Monthly Police Department Report. ^{Chief Harrison}

7.1.1 Fleet downtime, repair and maintenance costs for the last 12 months.

7.2 Monthly Public Works Department Report.

8.0 BUSINESS

- 8.1 Consideration and approval of invoices. ^{Stall}
- 8.2 Discussion and approval of Ordinance No. 2015-184 approving a settlement agreement between the Texas Coast Utilities Coalition of Cities and CenterPoint Energy Resources Corp. regarding the company's statement of intent to change gas utility rates in its Texas Coast Division. ^{Stall}
- 8.3 Discussion and council direction on the placement of no parking signs on Miramar Drive. ^{Moses}
- 8.4 Discussion and approval of Resolution No. 2015-148 appointing a member of the Parks and Recreation Advisory Board. ^{Moses}
- 8.5 Discussion and approval of Ordinance No. 2015-183 establishing a city online message board visible to the public and where messages can be posted by members of city council and authorized city staff. ^{Schnell}
- 8.6 Discussion of cost estimate for correcting drainage issue at Shadylawn and Westview. ^{Jennings}
- 8.7 Discussion of communication problems between citizens and city hall. ^{Jennings}
- 8.8 Discussion and approval of Resolution No. 2015-149 requiring that city checking account registers are available to the public on the city's website. ^{Jennings}

9.0 ADJOURNMENT

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the City of Shoreacres, Texas is a true and correct copy of said Notice and that I posted a copy of said Notice on the bulletin board at City Hall on July 8, 2015 at or before 7:00 p.m., at a place convenient and readily accessible to the general public at all times; to remain so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

DATED THIS 8TH DAY OF JULY 2015.

BY: _____

David K. Stall, CFM/TEM, City Administrator / City Secretary



SHOREACRES, TEXAS

The City Council of the City of Shoreacres reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultations with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.086 (Economic Development).

The City Council Chamber is wheelchair accessible and accessible parking spaces are available.

Requests for accommodations or interpretive services must be made at least two (2) working days prior to the meeting. Please contact City Office at 281.471.2244 or fax 281.471.8955 for additional information.

City of Shoreacres



MEETING MINUTES

The City Council of the City of Shoreacres, Texas, met in Regular Session on
Monday, June 22, 2015 at 7:00 p.m.
in the City Council Chambers of City Hall, 601 Shore Acres Blvd., Shoreacres, Texas
with the following present constituting a quorum:

Mayor	Rick Moses
Mayor pro tem	Richard Adams
Alderman	David Jennings
Alderman	Jerome McKown
Alderwoman	Nancy J. Schnell
Alderman	Mike Wheeler

City Administrator / City Secretary David K. Stall, CFM, TEM

1.0 CALL TO ORDER / ROLL CALL:

The meeting was called to order by Mayor Moses at 7:00 p.m.

2.0 PLEDGE OF ALLEGIANCE

3.0 SPECIAL PRESENTATION

Mayor Moses asked for a moment of silence in memory of Alderman Tommy Moser from the City of La Porte, and Ms. Leona Mitchell, a long time Shoreacres residence.

3.1 None.

4.0 APPROVAL OF MINUTES

4.1 Special Council Meeting June 8, 2015.

Nancy Schnell moved to approve the June 8, 2015 Special Council Meeting minutes; Seconded by Mike Wheeler. Motion carried unanimously.

4.2 Regular Council Meeting June 8, 2015.

Richard Adams moved to approve the June 8, 2015 Regular Council Meeting minutes; Seconded by Nancy Schnell. Motion carried unanimously.

5.0 COUNCIL REPORTS & REQUESTS

5.1 Mayor Moses

5.1.1 Tropical Storm Bill – Mayor Moses was out of town during the event, but kept close contact with Mr. Stall and Chief Harrison via telephone.

- 5.1.2 Discussions with TxDOT about the sound wall at SH-146 – Per Mr. Lucio Ortiz, the state has approved the aggregate [texture] design of the wall. Also, for better drainage by the pond area, they will enlarge the bottom vents of the wall panels.

6.0 PUBLIC HEARINGS & PUBLIC COMMENTS

- 6.1 Doris Rowell – Speed limit on Shore Acres Blvd. west of Old Hwy 146.

Ms. Rowell was not present.

- 6.2 Citizen Comments:

Felicia Ramos, 3416 Sunrise: Voiced a complaint about the overgrown lot adjacent to her property. She also suggested a homeowner's fee of \$5 deposited in a separate account to pay for mowing of overgrown lots in the city.

Neil Moyer, 1124 N. Country Club: Commented that if the speed limit on Shore Acres Blvd. should be lowered to 35 MPH it would allow the operation of golf carts on that street. Heavy trash is not being pick up in a timely manner. Item 8.5 prohibiting wild and/or exotic animals; if we don't like to hear chicken clucking or dogs barking, we could muzzle them. Item 8.7 Resolution 2015-147 that would adopt GFOA standards to achieve an annual award; recommends council to voluntarily try the GFOA guidance at the upcoming budget session. Are there any communities the size of Shoreacres utilizing the GFOA guidance? What are the costs/benefits for adopting the GFOA guidance? In FY 2014-15 Shoreacres police was dispatched sixteen times to the residence of one council member. What did it costs the city and what benefits did the city received from these calls?

Patrick Stanton, 128 Shady Lawn: Thanked Mr. Jennings for bringing Item 8.5, prohibiting wild and/or exotic animals or livestock, up for discussion. Council needs to amend this ordinance so that it could be enforceable or remove it completely. Item 6.0 Public Comments - would like for citizens to be able to speak on any topic. Also, allow public comments on items as they appear on the agenda. Heavy pickup – city needs to find an alternative because the current plan is not working. City needs to take aggressive action to clean up abandon property.

Diane Victor, 3346 Miramar: Requested No Parking signs on Miramar to be relocated to another location to prevent further mishaps of people backing into it.

Margaret Moore, 401 Oakdale: Stated that ditches needs mowing; pepper vines are growing into the streets and Heron Park. Asked what park donation funds are earmarked for what?

Ron Moore, 401 Oakdale: Stated that problem with drainage on Shadylawn is due to the pipes on Shadylawn are set higher than those on Shore Acres Blvd. City will need to re-set these pipes on Shadylawn to correct drainage problem.

Kimberly Sanford, 211 Shore Acres Blvd.: Requested a permit to allow parking on Miramar for the upcoming fishing tournament. Suggested that Shell Beach should be for "members only." Asked city staff to respond to her previous requests. She does not see a problem with having chickens inside city limits, maybe limiting the number of chicken.

Karen Harris, 215 Oakdale: Stated that she's in agreement with Kim Sanford and the Ordinance should be change to allow a certain number of chickens.

David Harris, 215 Oakdale: Suggested for a small dollar amount added to the water bill quarterly to supplement the cost of heavy trash pick-up.

Charlotte Wells, 3342 Miramar: Agreed with others to allow chicken inside city limit, eggs are up in price.

Mike Mazariagos, 615 Meadowlawn: Thanked council for their efforts.

7.0 ADMINISTRATIVE REPORTS

7.1 City Administrator Report:

7.1.1 Tropical Storm Bill: Preparation, response, and impact: With the approach of a tropical storm city personnel went into storm preparation mode. Barricades were put out in areas that are known to experience street flooding. All generators checked to ensure they were in working condition. In the end we were very fortunate that there was no damage to any of the city's water, wastewater systems, or other city facilities.

7.1.2 Attorney General letter ruling on public information request: Attorney General ruled that the city must withhold the requested information to protect the individual's privacy and the case is now closed.

7.1.3 First Monday Heavy Trash Program: Received a proposal for heavy pickup at \$38,400 a year - which will allow for two pick-up days a month and \$1,600 a day for any additional days. Due to limited budget funds we will commit with this vendor only through September 30, 2015. Council will need to review this line item in the next fiscal year and decide whether to reduce the materials being collected or increase budget amount.

7.1.4 Circle Park: Facilities and playground equipment: Materials were ordered to repair some of the playground equipment. Playground equipment will need to be replaced sometime in the future. The cost to replace the equipment with a like system is around \$70,000 to \$80,000. Faucets and hand dryers in the restrooms are in working condition; we do not supply hot water, only cold.

7.1.5 Voluntary park donation program: Received \$360 from eight donors. Funds are held separately for park improvements that are approved by council.

7.1.6 Sinkhole on Shore Acres Blvd. Reported to Precinct 2.

7.1.7 City landscaping on Shore Acres Blvd median and at City Hall: The oak tree in front of City Hall and crepe myrtles on Shore Acres Blvd. median were pruned.

7.2 Monthly financial report.

General Fund Checking	\$ 314,209.77
Utility Fund Checking	\$ 40,072.06
Service Deposit Checking	\$ 53,968.76
TxCDBG Checking	\$ 1,112.84
TexPool	\$ 745,895.91
Certificates of Deposit	\$ 255,852.00
Property tax collected YTD	\$ 857,831.18

General sales tax collected YTD \$ 48,973.67
Road maintenance sales tax collected YTD \$ 12,243.42

8.0 BUSINESS

8.1 Consideration and approval of invoices.

Richard Adams moved to approve the invoices. Seconded by Mike Wheeler. Motion carried unanimously.

8.2 Discussion of the placement of no parking signs on Miramar Drive.

Item 8.2 was discussed and action proposed for consideration at the July 13 council meeting.

8.3 Discussion of code enforcement related to City Code section 74-311, General erection limitations [fences].

Mr. Jennings posed a series of questions to Mr. Stall regarding code enforcement of fences. No council action was taken.

8.4 Discussion of storm drainage issues on Westview Street south of Shore Acres Blvd. to the ditch southeast of Baywood Street; and, general discussion of drainage in the city.

Mr. Jennings asked Mr. Stall to explain storm drainage in the city. No council action was taken.

8.5 Discussion of code enforcement related to City Code section 6-206, Keeping of wild and/or exotic animals or livestock prohibited.

Mr. Jennings asked Mr. Stall a series of questions and asked him to explain City Code section 6-206. No council action was taken.

8.6 Discussion of code enforcement efforts related to the property at 1005 South Country Club Drive.

Mr. Jennings asked Mr. Stall to explained code enforcement efforts at 1005 South Country Club Drive. No council action was taken.

8.7 Discussion and approval of Resolution No. 2015-147 adopting the standards required by the Government Finance Officers Association (GFOA) to achieve the Distinguished Budget Presentation Award; requiring the budget officer to create, assemble, and present all budgets in accordance therewith; and, that an application be made annually to GFOA for the award.

David Jennings moved to approve Resolution No. 2015-147. Seconded by Nancy Schnell. David Jennings and Nancy Schnell voted Aye; Richard Adams, Jerome McKown, Mike Wheeler voted Nay. Motion failed.

8.8 Discussion and approval of Ordinance No. 2015-182 amending Shoreacres City Code, Chapter 2, Article II, Division 1 – Meetings to clarify inclusion and notice of subjects to be addressed on meeting agendas.

Richard Adams moved to approve Ordinance No. 2015-182. Seconded by Nancy Schnell. After discussion, Nancy Schnell moved to amend Ordinance No. 2015-182 to read, "section 2-61 through 2-69 of the City code." Seconded by Jerome McKown. Motion carried unanimously.

9.0 ADJOURNMENT

With no further business pending on the agenda, the meeting was adjourned by Mayor Moses at 7:49 p.m.

PASSED AND APPROVED ON THIS 13th DAY OF JULY, 2015.

(CITY SEAL)

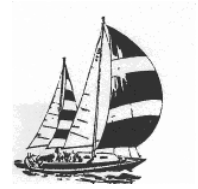
Rick Moses, Mayor

ATTEST:

David K. Stall, CFM, TEM
City Administrator / City Secretary

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MEMORANDUM

DATE: July 2, 2015
TO: City Council
FROM: Troy D. Harrison
RE: June, 2015 Activity report

Below are the listed calls for service during the month of June, 2015:

No. Nature Calls

ALARM BURGLAR	4
ANIMAL CONTROL PROBLEM	8
ASSIST BY LAW	37
ASSIST CITIZEN	4
BURGLARY	1
CRIMINAL MISCHIEF	1
DISABLED VEHICLE	6
DISTURBANCE	11
FLAGDOWN	2
FOLLOW UP	3
INTOXICATED DRIVER PERSON	2
LOUD MUSIC NOISE	6
MINOR ACCIDENT	5
PARKING VIOLATION	5
PRISONER PROCESS	3
PROPERTY LOST RECOVERED	2
RECKLESS DRIVER CONDUCT	5
SEXUAL ASSAULT	1
SUSPICIOUS CIRC PERSON VEHICLE	28
THEFT	3
THREAT TERRORISTIC	1
TRAFFIC HAZ PROB DIRECT RELAT	2
TRAFFIC STOP	149
TRESPASS	3
WEAPONS OFFENSES	1
WELFARE CONCERN	6
Total Calls	299
Citations Issued	163
House Watches	9

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MEMORANDUM

City of Shoreacres

601 Shore Acres Blvd., Shoreacres, TX 77571-7262 / 281.471.2244 / 281.471.8955 Fax



DATE: July 7th, 2015

TO: David K. Stall, City Administrator

CC:

FROM: Erick Ingram, Public Works Director

REF: Public Works Monthly Report (June) 2015

FILE REFERENCE: M11060701 RF Missing Receipt.docx

Public Works purchased 4,112,000 Gallons of water in June.

Public Works Utility crew repaired 2 water leaks 2-Mainline 0-Service connections

Parks crew has continued slope mowing & weed trimming.

Crews are in the process of replacing Circle Park items, Basketball goal nets, coated Chains for swing sets, and have ordered parts to get playground back in service asap.

There are no other special projects to report on at this time.

PUBLIC WORKS
Monthly Productivity Report

Month : June 2015

	Total Calls		Total Collected in Cu. Yrds.
Water/Wastewater	2	***Solid Waste***	
Water Repairs	2	Recycling :	40
Meter Changeouts	0	* Paper	10
Backfills (Yard Cleanups)	2	* Plastic	14
Fire Hydrant Repairs	0	* Cardboard	12
Water Taps	0	* Aluminum Cans	2
Water Plant Repairs	0	* Glass	2
Sewer Taps	0	Debris Removal	0
Sewer Point Repairs	0		
Lift Station Repairs	0		
Manhole Repairs	0		
After Hour Repairs	0		

Repairs

Streets and Drainage		***ROW Maintenance***	
Potholes :	0	Miles Mowed	5
* Concrete Repairs	0	Miles of Ditch Inspected	10
* Asphalt Repairs	0	Culverts Inspected	5
Drainage Cave-in Repairs	0	Hours Mowed	16
Traffic		***Parks***	
Stop Sign Repairs	2	Cubic Yards of Trash Removed	1
Safety Sign Repairs	0	Park Equipment Repair	0
Public Notification Signs	0	Lighting Repairs	0
Repaired	0		

<div> <div>Monthly Flushing Report</div> <div>Jun-15</div> </div>	Chlorine Residual		Date		Gallons
3548 Bayou Forest	1.6		6/25/2015		6000
Shore Acres Blvd @ W. Country Club	1.7		6/25/2015		6000
N. Country Club @ Centre	1.7		6/25/2015		6000
S. Country Club @ Centre	2		6/25/2015		6000
E. Country Club @ Forest	1.9		6/25/2015		6000
Shore Acres Blvd @ Old Hwy 146	1		6/29/2015		6000
Fairfield @ Byway	1.1		6/25/2015		6000
Baywood @ Byway	1		6/24/2015		6000
Shore Acres Blvd @ Sunrise	1.1		6/25/2015		6000
Westview between Shady Lawn & Oakdale	0.9		6/29/2015		6000
Park @ Baywood	0.8		6/29/2015		6000
635 Baywood	0.9		6/25/2015		6000
Fairfield @ Sunrise	1		6/25/2015		6000
Fairfield @ Miramar	1		6/26/2015		6000
Miramar @ Forest	0.9		6/26/2015		6000
Oakdale @ Brookside	0.9		6/26/2015		6000
Miramar @ Oakdale	0.9		6/26/2015		6000
Miramar @ Baywood	1		6/26/2015		6000
Total Gallons Flushed					108,000

Water Leaks

[illegible]

AGENDA INFORMATION SHEET
ITEM NO. _____

DENIAL OF CENTERPOINT ENERGY'S PROPOSED INCREASE IN RATES FILED ON ABOUT MARCH 27, 2015 AND APPROVING A SETTLEMENT, WHICH INCLUDES AN INCREASE OF \$4.9 MILLION COMPARED TO CENTERPOINT'S REQUESTED INCREASE IN RATES OF \$7.2 MILLION AND RESOLVES LITIGATION OF PENDING APPEALS

BACKGROUND

This agenda item presents a Settlement Agreement of the rate case CenterPoint Energy Resources Corp., d/b/a CenterPoint Entex and CenterPoint Energy Texas Gas ("CenterPoint" or "Company") submitted to the City on about March 27, 2015, as well as four (4) other rate cases submitted by CenterPoint from 2008 – 2011. Thus, the Settlement Agreement resolves 5 rate cases:

1. CenterPoint's rate case filed with the Railroad Commission of Texas ("Commission") and the City on about March 27, 2015, which the City suspended in April, 2015; the Commission assigned Gas Utilities Docket (GUD) No. 10432 to CenterPoint's application
2. GUD No. 9791 (2008); GUD 9791 is the seminal case in which the Commission approved a "cost of service adjustment" ("COSA");
3. GUD 9910 (2009);
4. GUD 10007 (2010); and
5. GUD 10097 (2011).

The City participated in these proceedings as part of Texas Coast Utilities Coalition (TCUC) of cities. The Cities of Angleton, Baytown, Clute, Freeport, League City, Pearland, Shoreacres, West Columbia, and Wharton are members in TCUC.

MARCH 27, 2015 RATE CASE (GUD No. 10432):

CenterPoint sought an increase of \$7.2 million, which represents an increase of about 11.3%. TCUC's Special Counsel (Herrera & Boyle, PLLC – Alfred R. Herrera) and TCUC's consultant (NewGen Strategies & Solutions, LLC - Ms. Constance Cannady) recommend that the City approve the Settlement Agreement that increases rates by \$4.9 million in annual revenue, an increase of about 9.8%, and resolves appeals of the Railroad Commission's final orders in 4 prior rate cases.

Table I compares the **change in a customer's average monthly bill** at current rates to: (1) CenterPoint's proposed increase at \$7.2 million; and (2) the increase at the settlement amount of \$4.9 million:

TABLE I			
	Increase in Average Bill at \$7.2 million	Increase in Average Bill at \$4.9 million	Difference
Residential	\$2.54	\$1.60	\$0.94
Sm. General	\$6.07	\$5.38	\$0.69
Large General	-\$49.45	-\$48.10	\$1.35

The Settlement Agreement limits the increase in the customer charge for the Residential class to 13¢, going from \$14.77 to \$15.00. CenterPoint also agreed to reimburse the cities' rate case expenses, which would add about 6¢ per month to a customer's bill.

GUD NO. 9791 – THE COMMISSION’S “COSA” TARIFF, AND GUD NOS. 9910, 10007, AND 10097:

Remand of GUD No. 9791: The Settlement Agreement provides consideration for resolution of GUD No. 9791, the seminal case in which the Railroad Commission first approved a COSA tariff for CenterPoint. Ultimately the Texas Supreme Court concluded that the Commission had the authority to adopt a COSA tariff but remanded the case back to the Commission because of the Commission's failure to properly address affiliate expenses recovered through rates. The Commission held a hearing in the remand of GUD 9791 on June 11, 2015 to address affiliate expenses, and pending approval of the Settlement Agreement, the parties have agreed to abate the schedule in that proceeding.

GUD Nos. 9910, 10007, and 10097: From 2009 – 2001 the Railroad Commission, in GUD Nos. 9910, 10007, and 10097, approved changes in CenterPoint's rates under the COSA tariff. These cases stem from GUD 9791, the seminal case in which the Commission first approved a COSA tariff. The TCUC cities appealed to Travis County District Court, not only the validity of the COSA tariff, but also the change in rates the Commission approved under the COSA tariff, and in particular, the lack of evidence to support the rates the Commission approved. Given the Texas Supreme Court's ruling regarding the validity of the COSA tariff, the remaining issues on appeal challenge the Commission's lack of evidence to support the rates it approved, including the lack of support for recovery of affiliate expenses.

Settlement of CenterPoint's March 27th rate application also provides consideration for resolution of these appeals through a lesser increase in the pending rate case filed on March 27, 2015, and avoids years of continued and protracted litigation and the accompanying expense to prosecute those cases.

ACTION: DENY CENTERPOINT'S PROPOSED RATE INCREASE OF \$7.2 MILLION, AND APPROVE A SETTLEMENT INCREASING CENTERPOINT'S ANNUAL REVENUE BY \$4.9 MILLION

The City has three options with regard to the action it may take regarding CenterPoint's application to increase rates:

1. Take no action, and on August 21, 2015, CenterPoint's proposed rates go into effect;
2. Deny CenterPoint's proposed increase in rates, in which case CenterPoint would file an appeal to the Railroad Commission;
3. Approve the proposed Settlement Agreement, which provides CenterPoint an increase in rates of \$4.9 million for rates, services, and operations within the City and ends the litigation related to GUD No. 9791, GUD 9910, and GUD No. 10007, and GUD 10097..

RECOMMENDATION

TCUC's Special Counsel and consultant recommend that the City deny CenterPoint's proposed increase of \$7.2 million but approve the proposed Settlement, which increases CenterPoint's annual revenue by \$4.9 million and resolves the cases pending on appeal in GUD Nos. 9791, 9910, 10007, and 10097.

If the City denies CenterPoint any increase, CenterPoint would appeal that denial to the Railroad Commission of Texas and consolidate it with the rate case CenterPoint filed at the Commission (GUD No. 10432). Denial of the rate increase would end the City's original jurisdiction over CenterPoint's application.

In conformance with the Settlement Agreement, the City must take action no later than July 30, 2015.

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**ORDINANCE No. 2015-184
CITY OF SHOREACRES, TEXAS**

AN ORDINANCE OF THE CITY OF SHOREACRES APPROVING A SETTLEMENT AGREEMENT BETWEEN THE TEXAS COAST UTILITIES COALITION OF CITIES AND CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENTEX AND CENTERPOINT ENERGY TEXAS GAS REGARDING THE COMPANY'S STATEMENT OF INTENT TO CHANGE GAS UTILITY RATES IN ITS TEXAS COAST DIVISION; DECLARING EXISTING RATES TO BE UNREASONABLE; DENYING CENTERPOINT'S PROPOSED INCREASE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE SETTLEMENT AGREEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; FINDING THE CITY'S RATE CASE EXPENSES REASONABLE; DIRECTING CENTERPOINT TO REIMBURSE THE CITY ITS REASONABLE RATE CASE EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; REPEALING ANY PRIOR RESOLUTIONS OR ORDINANCES INCONSISTENT WITH THIS ORDINANCE AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL.

* * * * *

WHEREAS, the City of Shoreacres Texas ("City") has exclusive original jurisdiction as a regulatory authority over CenterPoint Energy Resources Corp., d/b/a CenterPoint Entex and CenterPoint Energy Texas Gas' ("CenterPoint" or "Company") rates, operations, and services within the City; and,

WHEREAS, the City is also a gas utility customer of CenterPoint, and has an interest in CenterPoint's rates and charges; and,

WHEREAS, CenterPoint filed a Statement of Intent with the City on or about March 27, 2015 ("*March 27th Application*") to increase its annual revenue requirement by approximately \$6.8 million in the Company's Texas Coast Division, with a proposed effective date of May 1, 2015, which represents an increase in base revenue of approximately 11%; and,

WHEREAS, CenterPoint on March 27, 2015, filed its Statement of Intent with the Railroad Commission of Texas to increase its annual revenue requirement by approximately \$6.8 million in the Company's Texas Coast Division, with a proposed effective date of May 1, 2015, which represents an increase in base revenue of

approximately 11%, and subsequently modified its request to seek an increase of about \$7.2 million, which represents an increase of about 12% in non-gas revenue; and

WHEREAS, the City took action to suspend the effective date and to coordinate a response to CenterPoint's filing with other similarly situated municipalities (such participating cities are referred to herein as the Texas Coast Utilities Coalition of cities ("TCUC")); and,

WHEREAS, the City took action on or before May 1, 2015 to suspend CenterPoint's proposed effective date; and,

WHEREAS, one of TCUC's goals is to minimize rate-case expenses to the extent reasonable, that otherwise would result from lengthy, contested rate-case proceedings before the Railroad Commission of Texas and through the appellate process in the courts for the pending rate case; and

WHEREAS, TCUC authorized its attorneys and experts to formulate and review reasonable settlement positions to resolve CenterPoint's pending request to increase rates; and other rate proceedings related to Gas Utilities Docket Nos. 9791, 9910, 10007, and 10097; and,

WHEREAS, TCUC's attorneys met numerous times with the Company to negotiate a Settlement Agreement resolving the issues raised by the Company's Statement of Intent filing; and,

WHEREAS, after extensive review and analysis, TCUC's attorneys and experts found that CenterPoint's initially proposed increase in revenue and its initially proposed rates are unreasonable; and,

WHEREAS, TCUC's attorneys and experts have evaluated what a likely outcome from a fully-litigated proceeding would be and are of the opinion that the increase of approximately \$4.9 million noted in the negotiated Settlement Agreement compares favorably with a likely outcome from a fully-litigated proceeding; and,

WHEREAS, after extensive review and analysis, TCUC's attorneys and experts found that the lower increase of approximately \$4.9 million instead of the \$7.2 million increase initially proposed by CenterPoint is reasonable; and,

WHEREAS, TCUC's attorneys and experts and TCUC, based on the advice of its attorneys and experts, recommend that TCUC members approve the negotiated Settlement Agreement and attached tariffs; and,

WHEREAS, under the Gas Utility Regulatory Act, the City has a right to reimbursement of its reasonable rate-case expenses and CenterPoint has an obligation to reimburse the City's reasonable rate-case expenses; and,

WHEREAS, the attached tariffs implementing new rates are consistent with the Settlement Agreement and are just, reasonable, and in the public interest; and,

WHEREAS, the Settlement Agreements regarding CenterPoint's *March 27th Application* and Gas Utilities Docket Nos. 9791, 9910, 10007, and 10097, as a whole are in the public interest;

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

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

Section 2. That the City Council finds that the Settlement Agreement regarding CenterPoint's *March 27th Application*, attached hereto as Attachment A, and including Exhibits A through Exhibits E of that Settlement Agreement, and the Agreement regarding Gas Utilities Docket Nos. 9791, 9910, 10007, and 10097, appended hereto as Attachment B, all incorporated herein, are in the public interest and are hereby endorsed in all respects.

Section 3. That CenterPoint's existing rates are found unreasonable and the rates set forth in the Settlement Agreement are just and reasonable.

Section 4. That the revenue and resulting rates set forth in the Settlement Agreement and schedule of rates and tariffs for gas-utility service provided by CenterPoint, and the reimbursement of rate case expenses, which are attached as Exhibit A to the Settlement Agreement appended to this Ordinance in Attachment A, are just and reasonable, and are hereby adopted for service rendered on and after August 21, 2015.

Section 5. That the rates under the Settlement Agreement shall be effective for service rendered on and after August 21, 2015.

Section 6. That CenterPoint shall submit to the City annually, reports by no later than September 30 of each year detailing the amount of rate case expenses CenterPoint has collected through rates as of August 30 of each year and showing the balance remaining to be collected.

Section 7. That CenterPoint's and TCUC's rate-case expenses incurred in CenterPoint's *March 27th Application*, and TCUC's rate-case expenses incurred in Railroad Commission of Texas Gas Utilities Docket Nos. 9791, 9910, 10007, and 10097, are reasonable; and the amounts shown in the Settlement Agreement for plant-in-service balances; the base-year level amounts for tracking changes in pension-related and other post-employment benefits; and the factors shown for capital structure; return on equity; and the factors related to Interim Rate Adjustments, are appropriate for future ratemaking proceedings submitted by CenterPoint.

Section 8. That CenterPoint is ordered to reimburse TCUC's total rate case expenses incurred in CenterPoint's *March 27th Application* and in incurred by TCUC related to Railroad Commission of Texas Gas Utilities Docket Nos. 9791, 9910, 10007, and 10097, within thirty (30) days from the effective date of this Ordinance.

Section 9. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 10. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 11. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provision of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 12. That this Ordinance shall become effective from and after its passage.

Section 13. The City Secretary or other appropriate city official shall notify CenterPoint of this Ordinance by **sending a copy of the Ordinance to Mr. Thomas Stevens, Director of Regulatory Affairs, CenterPoint Energy, P.O. Box 2628, Houston, Texas 77252-2628**, and TCUC shall be notified by **sending a copy of this Ordinance to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Ave., Suite 1250, Austin, Texas 8701, by fax to 512-474-2507.**

PASSED AND APPROVED this the 13th day of July 2015.

(CITY SEAL)

Rick Moses, Mayor

ATTEST:

David K. Stall, CFM, TEM
City Secretary

M/2		Yea	Nay	N/V	Absent
<input type="checkbox"/>	R. Moses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	R. Adams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	D. Jennings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	J. McKown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	N. Schnell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	M. Wheeler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passed / Failed _____

David Stall, City Secretary - Date

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ATTACHMENT A

CenterPoint's March 27, 2015 Statement of Intent

Stipulation and Settlement Agreement

Exhibit A – Rates & Tariffs

Exhibit B - Proof of Revenues

**Exhibit C – Net Investment &
Depreciation Rates**

**Exhibit D – Rate Case Expense
Affidavits**

**Exhibit E – Cities & Customers
Affected**

GUD NO. 10432, consolidated

STATEMENT OF INTENT OF	§	
CENTERPOINT ENERGY RESOURCES	§	BEFORE THE
CORP., D/B/A CENTERPOINT ENERGY	§	
ENTEX AND CENTERPOINT ENERGY	§	RAILROAD COMMISSION
TEXAS GAS TO INCREASE RATES ON	§	
A DIVISION-WIDE BASIS IN THE	§	OF TEXAS
TEXAS COAST DIVISION	§	

UNANIMOUS SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and between CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company"); the Texas Coast Utilities Coalition whose members include the Cities of Angleton, Baytown, Clute, Freeport, League City, Pearland, Shoreacres, West Columbia, and Wharton, Texas (collectively, "TCUC Cities"); the Gulf Coast Coalition of Cities ("GCCC") whose members include the Cities of Alvin, Brookshire, Clear Lake Shores, Dickinson, Friendswood, Fulshear, Kemah, Lake Jackson, La Marque, Manvel, Mont Belvieu, Morgan's Point, Rosenberg, Santa Fe, Seabrook, Sugar Land, Taylor Lake Village, Texas City, Webster, and Weston Lakes, Texas (collectively "GCCC Cities"); and the Staff of the Railroad Commission of Texas ("Staff"), (collectively, the "Signatories").

WHEREAS, on March 27, 2015, CenterPoint filed its Statement of Intent to Increase Rates with the Railroad Commission of Texas ("Commission") and each of the cities in the Texas Coast Division retaining original jurisdiction; and

WHEREAS, the Commission docketed the rate request as GUD No. 10432; and

WHEREAS, the GCCC Cities, TCUC Cities, and Commission Staff sought intervention and were granted party status in GUD No. 10432; and

WHEREAS, the GCCC Cities have denied the Company's rate request, which denials were subsequently appealed to the Commission; and

WHEREAS, certain TCUC Cities denied the Company's rate request, which denials were subsequently appealed to the Commission and certain TCUC Cities have currently suspended the implementation of the Company's rate request; and

WHEREAS, the Company has sought the consolidation of all other municipal appeals with GUD No. 10432; and

WHEREAS, CenterPoint has filed direct testimony and an errata to its Statement of Intent; and

WHEREAS, direct testimony by GCCC and TCUC was initially due on June 24, 2015, and Commission Staff direct testimony on July 1, 2015, but GCCC, TCUC, and Commission Staff did not file direct testimony in reliance on this Unanimous Settlement Agreement; and

WHEREAS, the parties have engaged in significant discovery regarding the issues in dispute; and

WHEREAS, the Signatories agree that resolution of this docket by settlement agreement will significantly reduce the amount of reimbursable rate case expenses associated with this docket;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to and recommend for approval by the Commission the following Settlement Terms as a means of concluding the above-referenced docket filed by CenterPoint on behalf of its Texas Coast Division without the need for prolonged litigation:

Settlement Terms

1. The Signatories agree to the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A. The tariffs attached as Exhibit A replace and supersede those tariffs currently in effect in the Texas Coast Division. These tariffs are premised on an increase of an additional \$4.9 million in annual revenues as illustrated in the proof of revenues attached as part of Exhibit B to this Settlement Agreement in CenterPoint's Texas Coast Division. Except as specifically provided herein, the Signatories agree that the \$4.9 million revenue increase is a "black box" figure and is not tied to any specific expense in CenterPoint's Texas Coast Division's underlying cost of service. The Signatories further agree that the rates, terms and conditions reflected in Exhibit A to this Settlement Agreement comply with the rate-setting requirements of Chapter 104 of the Texas Utilities Code. The gas rates, terms and conditions established by this Settlement Agreement shall be effective upon approval by the Commission.
2. The Signatories agree to the following customer charges and volumetric rates. These rates are reflected in the rate schedules attached as Exhibit A.

	Customer Charge	Commodity Charge
Residential	\$15.00	\$0.0746 per Ccf
General Service – Small	\$15.50	\$0.0671 per Ccf
General Service - Large Volume	\$45.00	\$0.0440 per Ccf

3. The Signatories agree to the following capital structure and weighted cost of capital, including the pre-tax return, as shown below:

	Capital Structure	Debt/Equity Cost	Weighted Cost of Capital	Pre-Tax Return
Long-Term Debt	45.5%	6.1141%	2.78%	2.78%
Common Equity	54.5%	10.0%	5.45%	8.38%
Rate of Return	100%		8.23%	11.17%

4. The Signatories agree that any Interim Rate Adjustment ("IRA") filing in the Texas Coast Division pursuant to Texas Utilities Code § 104.301 shall use the following factors until changed by a subsequent general rate proceeding:

- The capital structure and related components as shown above in item 3.
- For any initial IRA filing, the Net Investment, which includes detail of Plant in Service amounts by Fixed Capital Account ("FCA") along with the associated depreciation rate for each account as shown on Exhibit C.
- For any initial IRA filing, the beginning amount of ad valorem taxes at the Texas Coast Division level is \$2,238,994 and the standard sales service amount is \$2,179,217. Margin tax will be calculated using a .75% factor until or unless changed by statute.
- For any initial IRA filing, the rate base amount for standard sales service is \$132,920,321 for purposes of calculating the federal income tax on related schedules in the IRA filing. This amount is derived based on settlement and should not be considered precedential for purposes of regulatory assets or liabilities associated with pensions, retirement plans, and deferred benefits requested in this case.
- For any initial IRA filing, the customer charges as noted in item 2 above will be the starting rates to apply to any IRA adjustment.
- The base rate revenue allocation factors to spread any change in IRA increase/decrease to the appropriate customer classes is as follows:

Residential	Small	Large
92.5131%	6.3790%	1.1079%

5. CenterPoint may pursue a deferred benefit regulatory asset or liability pursuant to Texas Utilities Code § 104.059 in a future filing. The Signatories identify the following amounts as the base year level to track changes in pension-related and other post-employment benefits:

Description	Total
Pension	\$1,666,822
Benefit Restoration Plan	\$290,207
Post Employment	\$138,363
Post Retirement	\$469,733

6. CenterPoint, GCCC, and TCUC represent that their reasonable rate case expenses incurred through May 2015, and estimated rate case expenses incurred through completion of this case, are as follows:

	Actual Invoices Received	Invoices Due and Est. to Completion	TOTAL
CenterPoint	\$459,887.57	\$160,000.00	\$619,887.57
GCCC	\$81,458.94	\$5,000.00	\$86,458.94
TCUC	\$71,290.29	\$4,550	\$75,840.29

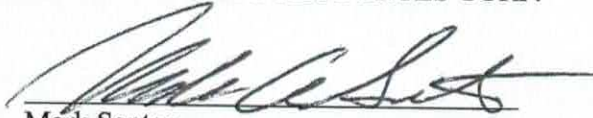
7. CenterPoint, GCCC, and TCUC attach as Exhibit D affidavits and invoices in support of these amounts, and will supplement with additional invoices as they are processed. CenterPoint, GCCC and TCUC agree that the amounts represented above are reasonable and recoverable pursuant to Texas Utilities Code § 103.022. CenterPoint, GCCC, and TCUC agree that the recovery period for the applicable surcharge to recover rate-case expenses shall be thirty-six months. CenterPoint agrees to reimburse GCCC and TCUC the amount of rate case expenses set forth above within 30 days of the issuance of an order authorizing recovery of those expenses. The parties intend and advocate that the Commission authorize recovery of the rate case expenses recited above in the same proceeding and at the same time as it approves this Unanimous Settlement Agreement.
8. As part of this Unanimous Settlement Agreement, TCUC agrees to withdraw its pending appeal in the Remand of GUD No. 9791 and its appeals of GUD Nos. 9910, 10007 and 10097, which are currently pending in Travis County District Courts (docketed as D-1-GN-10-001189, D-1-GN-11-001472, D-1-GN-12-000930, D-1-GN-12-000931, and D-1-GN-12-000932).
9. As part of this Unanimous Settlement Agreement, and in consideration for the increase in rates agreed to in Paragraph No. 1 and the agreements set forth in Paragraph No. 8, above, the TCUC Cities of Angleton, Baytown, League City, Pearland, West Columbia, and Wharton agree to adopt the tariffs and rate schedules attached to this Unanimous Settlement Agreement by municipal ordinance, on or before July 31, 2015, so as to effect the implementation of system wide rates. In the event that the aforementioned Cities fail to approve the Unanimous Settlement Agreement by July 31, 2015, these Cities agree that the municipal decisions shall be appealed to the Commission and that the rates agreed to pursuant to this Unanimous Settlement Agreement should be adopted by the Commission as just and reasonable rates within those municipalities.
10. The signatories agree that the affiliate expenses included in the black box amount above are recoverable consistent with the provisions in Section 104.055 of the Gas Utility Regulatory Act. This agreement with respect to requested affiliate expenses is derived based on settlement and should not be considered precedential.
11. The classes and number of customers affected by this Unanimous Settlement Agreement are identified on a city-by-city and unincorporated-area basis in Exhibit E.

12. The Signatories agree to support and seek Commission approval of this Unanimous Settlement Agreement. The Signatories further agree to make all efforts to present the Commission with this Unanimous Settlement Agreement at Conference scheduled for July 14, 2015 or as soon as possible thereafter.
13. The Signatories agree that all negotiations, discussions, and conferences related to the Unanimous Settlement Agreement are privileged, inadmissible, and not relevant to prove any issues associated with the Statement of Intent to Increase Rates in the Texas Coast Division filed on March 27, 2015.
14. The Signatories agree that neither this Unanimous Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the Commission of an order approving this Settlement Agreement.
15. The Signatories agree that the terms of the Unanimous Settlement Agreement are interdependent and indivisible, and that if the Commission intends to enter an order that is inconsistent with this Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Settlement Agreement or its subsequent withdrawal and further agrees that CenterPoint's application to increase rates will be remanded for hearings.
16. The Signatories agree that this Unanimous Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and except to the extent the Settlement Agreement governs a Signatory's rights and obligations for future periods, this Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.
17. The Signatories agree that this Unanimous Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this 2nd day of July, 2015.

CENTERPOINT ENERGY RESOURCES CORP.

By:



Mark Santos

Attorney for CenterPoint Energy Resources Corp.

TEXAS COAST COALITION OF CITIES

By:

Alfred Herrera

Attorney for Texas Coast Coalition of Cities

GULF COAST COALITION OF CITIES

By:

Thomas Brocato

Attorney for Gulf Coast Coalition of Cities

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By:

John Pierce Griffin

Attorney for Staff of the Railroad Commission of Texas

Agreed to this 6th day of July, 2015.

CENTERPOINT ENERGY RESOURCES CORP.

By: _____
Mark Santos
Attorney for CenterPoint Energy Resources Corp.

TEXAS COAST COALITION OF CITIES

By:  _____
Alfred Herrera
Attorney for Texas Coast Coalition of Cities

GULF COAST COALITION OF CITIES

By: _____
Thomas Brocato
Attorney for Gulf Coast Coalition of Cities

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
John Pierce Griffin
Attorney for Staff of the Railroad Commission of Texas

Agreed to this ____nd day of July, 2015.

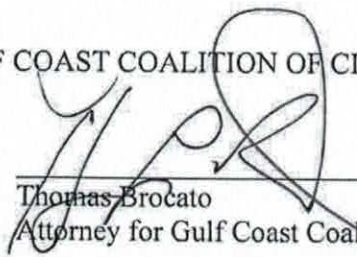
CENTERPOINT ENERGY RESOURCES CORP.

By: _____
Mark Santos
Attorney for CenterPoint Energy Resources Corp.

TEXAS COAST COALITION OF CITIES

By: _____
Alfred Herrera
Attorney for Texas Coast Coalition of Cities

GULF COAST COALITION OF CITIES

By: _____

Thomas Brocato
Attorney for Gulf Coast Coalition of Cities

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
John Pierce Griffin
Attorney for Staff of the Railroad Commission of Texas

Agreed to this ___nd day of July, 2015.

CENTERPOINT ENERGY RESOURCES CORP.

By: _____
Mark Santos
Attorney for CenterPoint Energy Resources Corp.

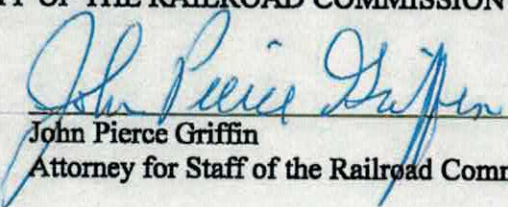
TEXAS COAST COALITION OF CITIES

By: _____
Alfred Herrera
Attorney for Texas Coast Coalition of Cities

GULF COAST COALITION OF CITIES

By: _____
Thomas Brocato
Attorney for Gulf Coast Coalition of Cities

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By:  _____
John Pierce Griffin
Attorney for Staff of the Railroad Commission of Texas

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
RESIDENTIAL SERVICE
RATE SCHEDULE NO. R-2093**

APPLICATION OF SCHEDULE

This schedule is applicable to any customer in an incorporated area or in the environs in the Texas Coast Division to whom service is supplied in a single private dwelling unit and its appurtenances, the major use of which is for household appliances, and for the personal comfort and convenience of those residing therein.

Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others.

MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

- (a) The Base Rate consisting of:
 - (1) Customer Charge – \$15.00;
 - (2) Commodity Charge –
All Ccf \$0.0746 per Ccf
- (b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and Franchise Fee Adjustment Rate Schedule.
- (c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Ccf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.
- (d) Rate Case Expense Recovery – Rate Case Expense Recovery will be calculated and adjusted periodically as defined in the Company's applicable Rate Case Expense Recovery Rate Schedule.

PAYMENT

Due date of the bill for service shall not be less than 15 days after issuance or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
GENERAL SERVICE-SMALL
RATE SCHEDULE NO. GSS-2093**

APPLICATION OF SCHEDULE

This schedule is applicable to natural gas service to any customer in an incorporated area or in the environs in the Texas Coast Division engaging in any business, professional or institutional activity, for all uses of gas, including cooking, heating, refrigeration, water heating, air conditioning, and power.

This schedule is applicable to any general service customer for commercial uses and industrial uses, except standby service, whose average monthly usage for the prior calendar year is 150,000 cubic feet or less. Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others.

MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

(a) The Base Rate consisting of:

- (1) Customer Charge – \$15.50;
- (2) Commodity Charge –
All Ccf \$0.0671 per Ccf

(b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and Franchise Fee Adjustment Rate Schedule.

(c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Ccf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

(d) Rate Case Expense Recovery – Rate Case Expense Recovery will be calculated and adjusted periodically as defined in the Company's applicable Rate Case Expense Recovery Rate Schedule.

PAYMENT

Due date of the bill for service shall not be less than 15 days after issuance or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-624**

AVAILABILITY

This schedule is available at points on existing facilities of adequate capacity and suitable pressure in the area designated in the Rate Book of **CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS** (hereinafter called "Company").

APPLICATION OF SCHEDULE

This schedule is applicable to any general service customer in an incorporated area or in the environs in the Texas Coast Division for commercial uses and industrial uses whose average monthly usage for the prior calendar year is more than 150,000 cubic feet. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery and shall not be resold or shared with others. If the Consumer has a written contract with Company, the terms and provision of such contract shall be controlling.

MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

(a) The Base Rate consisting of:

(1) Customer Charge – \$45.00;

(2) Commodity Charge –

All Ccf \$0.0440 per Ccf

(b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's applicable Tax Adjustment Rate Schedule and Franchise Fee Adjustment Rate Schedule.

(c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Mcf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

(d) Rate Case Expense Recovery – Rate Case Expense Recovery will be calculated and adjusted periodically as defined in the Company's applicable Rate Case Expense Recovery Rate Schedule.

WRITTEN CONTRACT

In order to receive a delivery from Company of more than 25 Mcf during any one day, the Consumer must execute a written contract with Company on Company's form of contract covering the sale of gas by Company to it. In the case of existing Consumers, the maximum gas usage during any one day shall be obtained from the records of the Company, except in cases where the existing Consumer will be purchasing increased volumes of gas from Company because of expansions or for any other reasons, in which event the Company may estimate usage by such Consumer. Also in the case of new Consumers, the Company may estimate usage by the Consumer. Any such estimates made by Company shall be binding on Consumer in determining whether or not a contract is required. Such written contract shall be executed by Consumer upon request of Company and Company shall not be obligated to serve any

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-624**

such Consumer more than 25 Mcf during any one day until such written contract is executed and delivered by Consumer.

MEASUREMENT

The term "cubic foot of gas" for the purpose of measurement of the gas delivered and for all other purposes is the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit.

The term "Mcf" shall mean 1,000 cubic feet of gas.

The Sales Unit shall be one Mcf.

Assumed Atmospheric Pressure - The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time.

Orifice Meters - When orifice meters are used for the measurement of gas, such orifice meters shall be constructed and installed, and the computations of volume made, in accordance with the provisions of Gas Measurement Committee Report No. 3 of the American Gas Association as revised September, 1969 ("A.G.A. Report No. 3), with any subsequent amendments or revisions which may be mutually acceptable.

The temperature of the gas shall be determined by a recording thermometer so installed that it may record the temperature of the gas flowing through the meter or meters. The average of the record to the nearest one (1) degree Fahrenheit, obtained while gas is being delivered, shall be the applicable flowing gas temperature for the period under consideration.

The specific gravity of the gas shall be determined by a recording gravitometer owned and operated by the pipeline company from whom Company purchases its gas, so installed that it may record the specific gravity of the gas flowing through the meter or meters; provided, however, that the results of spot tests made by the pipeline company with a standard type specific gravity instrument shall be used at locations where the pipeline company does not have a recording gravitometer in service. If the recording gravitometer is used, the average of the record to the nearest one-thousandth (0.001), obtained while gas is being delivered, shall be the applicable specific gravity of the gas for the period under consideration. If the spot test method is used, the specific gravity of the gas delivered hereunder shall be determined once monthly, the result obtained, to the nearest one-thousandth (0.001), to be applicable during the succeeding billing month.

Adjustment for the effect of supercompressibility shall be made according to the provisions of A.G.A. Report No. 3, hereinabove identified, for the average conditions of pressure, flowing temperature and specific gravity at which the gas was measured during the period under consideration, and with the proportionate value of each carbon dioxide and nitrogen in the gas delivered included in the computation of the applicable supercompressibility factors. Company shall obtain appropriate carbon dioxide and nitrogen fraction values as may be required from time to time.

Positive Displacement Meters and Turbine Meters - When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided however, that company shall have the option of installing a recording thermometer, and if company exercises such option, corrections shall be made for each degree variation in the applicable flowing temperature for the period under consideration.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-624**

The volumes of gas determined shall be adjusted for the effect of supercompressibility as follows:

- (A) When the flowing temperature of gas is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, F_{pv} , computed in accordance with the principles of the A.G. A. Report No. 3, hereinabove identified, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average pressure at which the gas was measured.
- (B) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, F_{pv} , computed in accordance with the principles of the American Gas Association Gas Measurement Committee Report No. 3, hereinabove identified, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the gas was measured.

SUPPLY INTERRUPTIONS

Total or partial interruption of gas deliveries due to acts of God, the elements, requirements for residential and other uses declared superior to Consumers by law, or to other causes or contingencies beyond the control of Company or not proximately caused by Company's negligence, shall not be the basis for claims-delivery and receipt of gas to be resumed whenever any such cause or contingency shall end.

CHARGES FOR UNAUTHORIZED OVER-RUN GAS

Any gas taken during any day by Consumer which exceeds the maximum daily quantity specified in Consumer's contract with Company shall be considered to be unauthorized over-run gas. Any gas taken by Consumer after the effective hour of an order calling for a complete curtailment of all gas deliveries, and prior to the authorized resumption of natural gas service, hereunder shall be considered to be unauthorized over-run gas. Any gas taken by Consumer after the effective hour of an order calling for a partial curtailment, and prior to the authorized resumption of natural gas service, which exceeds the stated amount of gas deliveries Consumer may take during such partial curtailment, shall be considered to be unauthorized over-run gas. Company shall bill, and Consumer shall pay for unauthorized over-run gas at the rate of \$10.00 per Mcf, in addition to the Monthly Rate specified herein for such gas. The payment of such additional charge for unauthorized over-run gas shall not, under any circumstances, be considered as giving the Consumer the right to take unauthorized over-run gas, nor shall such payment be considered to exclude or limit any other remedies available to Company against the Consumer for exceeding the maximum daily quantity specified in Consumer's contract with Company, or for failure to comply with curtailment orders issued by Company hereunder.

The additional amount specified above charged for unauthorized over-run gas shall be adjusted, either plus or minus, to conform to the change made by Company's supplier in its rate schedule under which Company purchases its gas supply for resale under this schedule.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
FRANCHISE FEE ADJUSTMENT
RATE SCHEDULE NO. FFA-6**

APPLICATION

Applicable to Customers inside the corporate limits of an incorporated municipality that imposes a municipal franchise fee upon Company for the Gas Service provided to Customer.

MONTHLY ADJUSTMENT

Company will adjust Customer's bill each month in an amount equal to the municipal franchise fees payable for the Gas Service provided to Customer by Company. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees.

RAILROAD COMMISSION REPORTING

CenterPoint shall maintain on file with the Railroad Commission of Texas a current listing of Cities and applicable franchise fees. Reports should be filed at the Commission as follows:

Tariff Compliance
Oversight and Safety Division, Gas Services
Railroad Commission of Texas
P.O. Drawer 12967
Austin, TX 78711-2967

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
TAX ADJUSTMENT
RATE SCHEDULE NO. TA-11**

The Customers shall reimburse the Company for the Customers' proportionate part of any tax, charge, impost, assessment or fee of whatever kind and by whatever name (except ad valorem taxes and income taxes) levied upon the Company by any governmental authority under any law, rule, regulation, ordinance, or agreement (hereinafter referred to as "the Tax"). If the law, rule, regulation, ordinance, or agreement levying the Tax specifies a method of collection from Customers, then the method so specified shall be utilized provided such method results in the collection of taxes from the Customers equal to the taxes levied on the Company. If no method of collection is specified, then the Company shall collect an amount calculated as a percentage of the Customers' bills applicable directly to those Customers located solely within the jurisdiction imposing the tax and/or within the jurisdiction where the tax is applicable. The percentage shall be determined so that the collection from Customers within the Company's different legal jurisdictions (municipal or otherwise defined) encompassing the Texas Coast Division is equal to the taxes levied on the Company.

The initial Tax Adjustment Rate shall be based on the Taxes that are levied upon the Company on the effective date of this Rate Schedule. The Company will initiate a new or changed Tax Adjustment Rate beginning with the billing cycle immediately following the effective date of the new or changed Tax as specified by the applicable law, rule, regulation, ordinance, or agreement, provided that the Company has the customer billing data necessary to bill and collect the Tax. If at any time there is a significant change that will cause an unreasonable over or under collection of the Tax, the Company will adjust the Tax Adjustment Rate so that such over or under collection will be minimized. The Tax Adjustment Rate (calculated on a per Ccf or per Mcf basis, as appropriate) shall be reported to the applicable governmental authority by the last business day of the month in which the Tax Adjustment Rate became effective.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A/ CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-13**

This Cost of Gas Clause shall apply to all general service rate schedules of CenterPoint Energy Entex in the Incorporated and Environs areas of the Texas Coast Division ("the Company").

A. DEFINITIONS

1. **Cost of Purchased Gas (G):** The Company's best estimate of the cost of natural gas (per Mcf) to be purchased for resale hereunder during the period that the PGA Rate is to be effective. The cost of natural gas shall include the cost of gas supplies purchased for resale hereunder, upstream transportation capacity charges, storage capacity charges, the cost of gas withdrawn from storage less the cost of gas injected into storage, and any transaction-related fees, gains or losses and other transaction costs associated with the use of various financial instruments used by the Company to stabilize prices.
2. **Purchase/Sales Ratio (R):** A ratio determined by dividing the total volumes purchased by the Company for general service customers for the twelve (12) month period ending the preceding August 31 Production Month by the sum of the volumes sold to general service customers during the same period. For the purpose of this computation, all volumes shall be stated at 14.65 p.s.i.a. Such ratio as determined shall in no event seek to recover more than 5% lost and unaccounted for gas loss unless expressly authorized by the applicable regulatory authority.
3. **Production Month:** The month that gas cost related activities are completed.
4. **Accounting Month:** The month gas related activities are posted on the books and records of the Company.
5. **Commodity Cost:** The Cost of Purchased Gas multiplied by the Purchase Sales Ratio.
6. **Purchased Gas Adjustment (PGA):** The rate per billing unit or the total calculation under this Cost of Gas Clause, consisting of the commodity cost, a reconciliation component (RC) and related fees and taxes.
$$\text{PGA Rate (per Mcf sold)} = [(G * R) \pm RC] \text{ rounded to the nearest } \$0.0001$$
$$\text{PGA Rate (per Ccf sold)} = \text{PGA Rate (per Mcf sold)} \div 10$$
7. **General Service Customer:** residential, small commercial and large volume customers.
8. **Reconciliation Audit:** An annual review of the Company's books and records for each twelve month period ending with the May Production Month to determine the amount of over or under collection occurring during such twelve month period. The audit shall determine:
 - a. the total amount paid for gas purchased by the Company to provide service to its general service customers during the period;
 - b. the revenues received from operation of the provisions of this Cost of Gas Clause reduced by the amount of revenue associated fees and taxes paid on those revenues;
 - c. the total amount of refunds made to customers during the period and any other revenues or credits received by the Company as a result of gas purchases or operation of this Cost of Gas Clause; and

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A/ CENTERPOINT ENERGY ENTEX
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TEXAS COAST DIVISION
RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-13**

- d. an adjustment, if necessary, for lost and unaccounted for gas during the period identified in A2 in excess of five (5) percent of purchases.
- 9. **Reconciliation Component (RC):** The amount to be returned to or recovered from customers each month from the August billing cycle through April billing cycle as a result of the Reconciliation Audit.
- 10. **Reconciliation Account:** The account maintained by the Company to assure that over time it will neither over nor under collect revenues as a result of the operation of this Cost of Gas Clause. Entries shall be made monthly to reflect but not necessarily limited to:
 - a. the total amounts paid to the Company's supplier(s) for gas applicable to general service customers as recorded on the Company's books and records;
 - b. any upstream transportation charges;
 - c. the cost of gas withdrawn from storage less the cost of gas injected into storage;
 - d. fixed storage charges;
 - e. the revenues produced by the operation of this Cost of Gas Clause; and
 - f. refunds, payments, or charges provided for herein or as approved by the regulatory authority.
- 11. **Carrying Charge for Gas in Storage:** A return on the Company's investment for gas in storage.

B. COST OF GAS = Purchased Gas Adjustment (PGA)

In addition to the cost of service as provided under its general service rate schedule(s), the Company shall bill each general service customer for the Cost of Gas incurred during the billing period. The Cost of Gas shall be clearly identified on each customer bill.

C. DETERMINATION AND APPLICATION OF THE RECONCILIATION COMPONENT

If the Reconciliation Audit reflects either an over recovery or under recovery of revenues, such amount, plus or minus the amount of interest calculated pursuant to Section D below, if any, shall be divided by the general service sales volumes, adjusted for the effects of weather and growth, for the last preceding August billing cycle through April billing cycle. The Reconciliation Component so determined to collect any revenue shortfall or to return any excess revenue shall be applied for a nine (9) month period beginning with the next following August billing cycle and continuing through the next following April billing cycle at which time it will terminate until a new Reconciliation Component is determined.

D. PAYMENT FOR USE OF FUNDS

Concurrently with the Reconciliation Audit, the Company shall determine the amount by which the Cost of Gas was over or under collected for each month within the period of audit. If the sum of the monthly balances reflects an over collection during the period, the Company shall credit

**CENTERPOINT ENERGY RESOURCES CORP.
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RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-13**

into the Reconciliation Account during August an amount equal to the average annual balance multiplied by 6%.

If the sum of the monthly balances reflects an under collection during the period, the Company shall debit into the Reconciliation Account during August an amount equal to the average annual balance multiplied by 6%.

E. CARRYING CHARGE FOR GAS IN STORAGE

A carrying charge for gas in storage will be calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the pre-tax rate of return as determined in Docket No. GUD 10432 and will be reflected on the customer's bill.

F. SURCHARGE OR REFUND PROCEDURES

In the event that the rates and charges of the Company's supplier are retroactively reduced and a refund of any previous payments is made to the Company, the Company shall make a similar refund to its general service customers. Similarly, the Company may surcharge its general service customers for retroactive payments made for gas previously delivered into the system. The entire amount of refunds or charges shall be entered into the Reconciliation Account as they are collected from or returned to the customers.

For the purpose of this Section the entry shall be made on the same basis used to determine the refund or charge component of the Cost of Gas and shall be subject to the calculation set forth in Section D, Payment for Use of Funds, above.

G. COST OF GAS STATEMENT

The Company shall file a copy of the Cost of Gas Statement with the Regulatory Authority by the beginning of each billing month. (The Company shall file such initial Statement as soon as is reasonably possible.) The Cost of Gas Statement shall set forth:

1. the Cost of Purchased Gas;
2. that cost multiplied by the Purchase/Sales Ratio;
3. the amount of the cost of gas caused by any surcharge or refund;
4. the Reconciliation Component;
5. the revenue associated fees and taxes to be applied to revenues generated by the Cost of Gas;
6. the Cost of Gas which is the total of items (2) through (5); and
7. the Carrying Charge for Gas in Storage.

The statement shall include all data necessary for the Customers and Regulatory Authority to review and verify the calculation of the Cost of Gas and the Carrying Charge for Gas in Storage.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A/ CENTERPOINT ENERGY ENTEX
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TEXAS COAST DIVISION
RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-13**

The date on which billing using the Cost of Gas and the Carrying Charge for Gas in Storage is to begin (bills prepared) is to be specified in the statement.

H. ANNUAL RECONCILIATION REPORT

The Company shall file an annual report with the Regulatory Authority which shall include but is not necessarily limited to:

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending with the May Production Month will be available upon request;
2. A tabulation of gas units sold to general service customers and related Cost of Gas Clause revenues for the twelve month period ending with the May Production Month will be available upon request; and
3. A summary of all other costs and refunds made during the year and the status of the Reconciliation Account. This report shall be filed concurrently with the Cost of Gas Statement for August.

The Annual Report shall be filed in a format similar to the example format that follows.

CENTERPOINT ENERGY RESOURCES CORP.
D/B/A/ CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION

RATE SHEET

PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-13

ANNUAL RECONCILIATION REPORT
TWELVE MONTH ENDING

A.	COST OF PURCHASED GAS	B.	COST OF GAS REVENUE
----	-----------------------	----	---------------------

TOTAL PURCHASES

Mcf @ 14.65	\$ Dollars
-------------	------------

TOTAL SALES

Mcf @ 14.65	\$ Dollars
-------------	------------

Prior Period Adjustments	
Year	Month 1
Year	Month 2
Year	Month 3
Year	Month 4
Year	Month 5
Year	Month 6
Year	Month 7
Year	Month 8
Year	Month 9
Year	Month 10
Year	Month 11
Year	Month 12
Total	

Prior Period Adjustments	
Year	Month 1
Year	Month 2
Year	Month 3
Year	Month 4
Year	Month 5
Year	Month 6
Year	Month 7
Year	Month 8
Year	Month 9
Year	Month 10
Year	Month 11
Year	Month 12
Total	

\$	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
Total	-

\$	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
Total	-

\$	-
----	---

\$	-
----	---

12 months Average (O)/U Balance

CENTERPOINT ENERGY RESOURCES CORP.
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TEXAS COAST DIVISION
RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-13

ANNUAL RECONCILIATION REPORT
TWELVE MONTH ENDING

D. SALES VOLUMES	E. Interest on PGA Balance
------------------	----------------------------

Actual Mcf @ 14.65	12 months Average (O)/U Balance	\$ -
	Interest Rate	6.00%
	Total Interest on (O)/U Balance	\$ -

Year	Month 1
Year	Month 2
Year	Month 3
Year	Month 4
Year	Month 5
Year	Month 6
Year	Month 7
Year	Month 8
Year	Month 9

Total

F. Reconciliation Component

TME Cumulative (O)/U Balance Excluding Interest	\$ -
UAF Adjustment	-
Total Interest on (O)/U Balance	\$ -
Total	

Divided By:
Sales Volume

RECONCILIATION COMPONENT	\$ -	Per Mcf
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**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
SCHEDULE OF MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE NO. MISC-14**

GAS SERVICE

1.	Institution of service to residential or general service	\$40
	After-hours surcharge for each after-hours service call*	\$47
2.	Restore service after termination for non-payment, cut-off by customer or agent or for convenience of customer	\$40
	After-hours surcharge for each after-hours service call*	\$47
3.	Turning off service to active meter – account not finalled (per trip)	\$20
	After-hours surcharge for each after-hours service call*	\$47
4.	Special meter test at customer's request (see General Rules and Regulations for special situations) – same customer at same location is allowed one test free of charge every four years	\$15
5.	Change customer meter**	\$55
6.	Change residential meter location: Minimum charge	\$350
	Additional meters in manifold each	\$55
	(Plus cost of materials)	
7.	Tap Charge	N.C.***
8.	Disconnect service at main	\$300
	(Plus any costs arising out of any city ordinance or regulation or governing work in city streets)	
	(Plus other related costs)	
9.	Restore service at main after termination for non-payment	\$300
	(Plus cost of materials)	
10.	Temporary transfer of individually metered multi-family service from vacating tenant to apartment complex owner. (Applicable to read and transfer transactions only. Precedent written agreement required.)	N.C.

* Outside the hours of 8:00 A.M. to 5:00 P.M. CST Monday – Friday, on weekends, and on all Company designated holidays.

** Meters changed at customer's request. Does not include changes due to meter failure and/or incorrect measurement of usage.

*** Except where Company is required to pay tap charge to pipeline supplier to serve the consumer, the consumer shall reimburse Company.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
SCHEDULE OF MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE NO. MISC-14**

OTHER CHARGES

- | | | |
|-----|--|------|
| 11. | Collection call - trip charge (not collected under miscellaneous service item no. 3 – Turning off service to active meter) | \$20 |
| 12. | Returned check | \$20 |

DEPOSITS

Up to the maximum amount allowed under the Railroad Commission of Texas Quality of Service Rule §7.45(5)(C)(ii) (the "one-sixth rule"). If there is no billing history on the customer's account, then the one-sixth rule will be applied to the customer's account based on similarly-situated customers located in the geographic area.

TAX ADJUSTMENT

The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's Tax Adjustment Rate Schedule and Franchise Fee Adjustment Rate Schedule.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
RATE CASE EXPENSE RECOVERY RATE SCHEDULE NO. RCE-9.1**

APPLICATION OF SCHEDULE

This schedule applies to all residential, small commercial, and large volume customers in the Texas Coast Division impacted by the Company's Statement of Intent to Increase Rates filed on March 27, 2015.

This rate schedule is for the recovery of rate case expense ("RCE") and shall be in effect beginning on or after August 21, 2015 for a thirty-six (36) month period or until all approved expenses are collected.

MONTHLY RATE RECOVERY FACTOR:

Residential	\$ 0.08 per bill
General Service-Small	\$ 0.08 per bill
General Service-Large	\$ 0.08 per bill

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

COMPLIANCE

The Company will file annually, due on the ____ of each _____, a report with the Railroad Commission of Texas ("Commission"). The Company will send a copy of the report to counsel for the Texas Coast Utilities Coalition, whose members include the cities of Angleton, Baytown, Clute, Freeport, League City, Pearland, Shoreacres, West Columbia, and Wharton, Texas. The Company will also send a copy of the report to counsel for the Gulf Coast Coalition of Cities, whose members include the cities of Alvin, Brookshire, Clear Lake Shores, Dickinson, Friendswood, Fulshear, Kemah, Lake Jackson, La Marque, Manvel, Mont Belvieu, Morgan's Point, Rosenberg, Santa Fe, Seabrook, Sugar Land, Taylor Lake Village, Texas City, Webster, and Weston Lakes, Texas. The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically or at the following address:

Tariff Compliance
Oversight and Safety Division, Gas Services
Railroad Commission of Texas
P.O. Drawer 12967
Austin, TX 78711-2967

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
TCUC 9791 APPEAL RATE CASE EXPENSE NO. RCE-9.2**

APPLICATION OF SCHEDULE

This schedule applies to all residential, small commercial, and large volume customers in the cities of Angleton, Baytown, Clute, Freeport, League City, Pearland, Shoreacres, West Columbia, and Wharton (Texas Coast Utility Coalition ("TCUC") Cities) in the Texas Coast Division impacted by the Company's Statement of Intent to Increase Rates filed on March 27, 2015 that resulted in the Final Order issued in GUD No. 10432, and consolidated cases.

This rate schedule is for the recovery of the TCUC GUD No. 9791 Appeal rate case expense ("RCE") and shall be in effect beginning on or after August 21, 2015 for a thirty-six (36) month period or until all approved expenses are collected. The monthly recovery rate below may be modified in the last several months of the recovery to account for variable sales volumes to achieve a recovery balance of zero, or as close to zero as possible.

MONTHLY RATE RECOVERY FACTOR:

Residential	\$ 0.0043615 per Ccf
General Service-Small	\$ 0.0012487 per Ccf
General Service-Large	\$ 0.0003718 per Ccf

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

CenterPoint Energy
Texas Coast Division
Rate Design - Settlement

Line No.	Particulars	Total	Residential	Commercial	
				Small	Large
1	Cost of Service to be Recovered from GSS and GSLV			\$ 3,903,419	\$ 677,913
1a	Current Rate Revenue Recovery	\$ 56,291,674	\$ 52,020,457	\$ 3,411,002	\$ 860,215
1b	Settlement Increase	\$ 4,900,000			
1c	Settlement Revenue Requirement	\$ 61,191,674	\$ 56,610,343	\$ 3,903,419	\$ 677,913
1d	Revenue Requirement Allocation Factors		92.5131%	6.3790%	1.1079%
2	Less:				
3	Houston Division Margin				
4	Customer Charge	\$ 644,201	\$ 594,659	\$ 25,446	\$ 24,096
5	Distribution Charge	\$ 66,177	\$ 39,164	\$ 10,672	\$ 16,341
6	Total - Customers on Houston Rates in Texas Coast	\$ 710,378	\$ 633,823	\$ 36,118	\$ 40,437
7	Net Cost of Service to be Collected	\$ 60,481,297	\$ 55,976,520	\$ 3,867,300	\$ 637,476
8	Net Customer Charge Cost of Service				
9	Number Bills	3,357,888	3,200,388	153,348	4,152
10					
11	Settlement Customer Charge		15.00	15.50	45.00
12	Customer Charge Revenue	\$ 50,569,554	\$ 48,005,820	\$ 2,376,894	\$ 186,840
13	Net Distribution Charge Revenue Required	\$ 9,911,743	\$ 7,970,700	\$ 1,490,406	\$ 450,636
14	<u>Ccf Billing Determinants</u>				
15	Total Billing Determinants		106,866,191	22,197,311	10,250,222
16	<u>Distribution Rates</u>				
17	All Ccf - Residential		\$ 0.0746		
18	All Ccf - General Service - Small			\$ 0.0671	
19	All Ccf - General Service - Large				\$ 0.0440
20	Distribution Charge Revenue	9,912,668	7,972,218	1,489,440	451,010
21	Total Revenue - Design	61,192,600	56,611,861	3,902,452	678,287
22	Total Revenue Over(Under)	\$ 925	\$ 1,518	\$ (966)	\$ 374

Calculation of Depreciation

GUD NO. 10432, consolidated

STATEMENT OF INTENT OF	§	
CENTERPOINT ENERGY RESOURCES	§	BEFORE THE
CORP., D/B/A CENTERPOINT ENERGY	§	
ENTEX AND CENTERPOINT ENERGY	§	RAILROAD COMMISSION
TEXAS GAS TO INCREASE RATES ON	§	
A DIVISION-WIDE BASIS IN THE	§	OF TEXAS
TEXAS COAST DIVISION	§	

AFFIDAVIT OF MARK A. SANTOS

Before me, the undersigned authority, on this date personally appeared Mark A. Santos, known to me to be the person whose name is subscribed below, and being by me first duly sworn, stated upon oath as follows:

"My name is Mark A. Santos. I am a partner in the Austin, Texas law firm of Parsley Coffin Renner LLP, and have practiced law since 2002. I have extensive experience representing and defending clients before the Railroad Commission of Texas and Public Utility Commission of Texas. I am over 18 years of age, of sound mind, and fully competent to make this affidavit. Each statement of fact herein is true and of my own personal knowledge.

I am counsel of record for CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint Texas") in Gas Utilities Docket No. 10432, consolidated. Attached to this Affidavit are invoices documenting an actual amount of \$459,887.57 in rate case expenses incurred by CenterPoint Texas in this docket through May 30, 2015. This amount includes legal expenses incurred preparing the filing, expenses incurred by professional consultants retained to provide direct and rebuttal testimony, public notice, and incidental expenses. The invoices are detailed and itemized.

I have reviewed the billings of Parsley Coffin Renner LLP submitted to CenterPoint Texas for legal services performed in this proceeding through April 30, 2015, and I affirm that those billings in the amount of \$200,225.78 accurately reflect the time spent and expenditures incurred by Parsley Coffin Renner LLP on CenterPoint Texas's behalf. The attorneys billing on the file have hourly rates of between \$225 and \$500, with the majority of the time billed by myself. My hourly billing rate is \$375, which is within the range deemed reasonable in prior rate cases for lawyers having similar experience providing similar services. The hours spent to perform the tasks assigned to Parsley Coffin Renner LLP were necessary to complete those tasks in a professional manner on a timely basis. The nature of the work performed is typical of a contested rate proceeding such as this. Further, there was no duplication of services or testimony and the settled result in this proceeding demonstrates that the Company's request for a rate change was warranted.


In addition to the amounts incurred through April 30, 2015, CenterPoint Texas has incurred additional legal expenses equal to approximately \$140,000 for work performed in May and June 2015, which has not yet been processed by CenterPoint Texas. The nature of this work included answering discovery questions, negotiating discovery disputes, motions practice,

preparation of rebuttal testimony, preparation of errata, preparation for hearing, preparation for technical and settlement conferences, settlement negotiations, meeting and communicating with parties to negotiate a settlement, and the drafting of settlement terms. In addition, CenterPoint Texas will incur additional expense through completion of the case, which expenses include finalizing settlement documents, presentation of settlement to Examiners, potential discovery and briefing before the Examiners, and attending Commission conferences. Based on my experience in administrative proceedings, including proceedings in which the parties seek approval of a Unanimous Settlement Agreement as in this case, I estimate that legal expenses from July 1, 2015 through completion of the case will be approximately \$20,000.00, bringing the total amount of actual and estimated legal fees necessary to complete this proceeding to \$360,225.78.

In addition to legal expenses, CenterPoint Texas incurred other rate case expenses, which included expenses incurred by professional consultants retained to provide direct and rebuttal testimony, preparation of the filing, public notice, responding to discovery, and incidental expenses. Again, actual detailed and itemized invoices through June 30, 2015 are attached. The total amount of other regulatory rate case expenses incurred through June 30, 2015, is \$259,661.79.

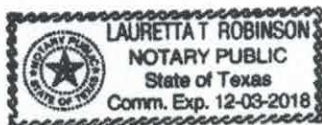
The total amount of rate case expenses for CenterPoint Texas reflected in the Unanimous Settlement Agreement includes actual and estimated legal fees of \$360,225.78 and required regulatory expenses equal to \$259,661.79. CenterPoint Texas requests that the Commission authorize recovery of its rate case expenses related to this docket in the amount of \$619,887.57. CenterPoint Texas will supplement this filing with additional invoices as they are processed.

CenterPoint Texas seeks recovery only of those expenses that are actually incurred, and any rate case expense surcharge will collect from ratepayers only the amount actually incurred and authorized by the Commission. I note, however, that this estimate presumes approval of the Unanimous Settlement Agreement and no appeal of the Commission's final order. CenterPoint Texas reserves the right to revise this estimate to the extent that additional litigation becomes necessary."



Mark A. Santos

SWORN AND SUBSCRIBED before me on this 2nd day of July, 2015.



Notary Public in and for the State of Texas

GAS UTILITIES DOCKET NO. 10432

**STATEMENT OF INTENT FILED BY §
CENTERPOINT ENERGY RESOURCES §
CORP., D/B/A CENTERPOINT ENERGY §
ENTEX AND CENTERPOINT ENERGY §
TEXAS GAS TO INCREASE RATES ON §
A DIVISION-WIDE BASIS IN THE §
TEXAS COAST DIVISION §
§**

**BEFORE THE
RAILROAD COMMISSION
OF TEXAS**

**AFFIDAVIT OF ALFRED R. HERRERA RELATED TO RATE CASE EXPENSES
INCURRED BY TEXAS COAST UTILITIES COALITION OF CITIES**

**STATE OF TEXAS §
§
COUNTY OF TRAVIS §**

Before me, the undersigned authority, on this day personally appeared Alfred R. Herrera, being by me first duly sworn, on oath deposed and said the following:

1. My name is Alfred R. Herrera, and I am a principal of Herrera & Boyle, PLLC. I have over 31 years of experience in legal and legislative matters related to the utility industry (telecommunication, electric, and gas). I have litigated numerous electric and gas rate matters. The Texas Coast Utilities Coalition ("TCUC") of cities retained the firm of Herrera & Boyle, PLLC in connection with the Statement of Intent submitted to the TCUC cities and the Railroad Commission of Texas ("Commission") by CenterPoint Energy Resources Corp., d/b/a CenterPoint Entex and CenterPoint Energy Texas Gas ("CenterPoint" or "Company") on about March 27, 2015 ("*March 27th Statement of Intent*").
2. I am familiar with the work performed by Herrera & Boyle and the technical consultants on behalf of TCUC in connection with CenterPoint's *March 27th Statement of Intent*. I am over 18 years of age and I am not disqualified from making this affidavit. My statements are true and correct.
3. The firm of Herrera & Boyle has provided services to TCUC in these proceedings including, but not limited to, the following activities: the provision of legal advice and strategy to TCUC; negotiating schedules and substantive issues; identification of consultants and recommendations to the client regarding consultants; coordination of issue development; legal research; preparation and filing of pleadings and briefs; discovery; preparation for and participating in prehearing conferences, hearings; and briefing clients and discussions with consultants.
4. I am responsible for coordinating and supervising the efforts of my firm's personnel pertaining to the services rendered to TCUC in these dockets. I have personally reviewed


all billings for all work performed (legal and consulting) in connection with CenterPoint's *March 27th Statement of Intent*.

5. Invoices and backup for the fees and expenses charged to TCUC are provided to the City of Baytown for approval and forwarding to CenterPoint for payment. My firm's billings are associated with efforts that were reasonable and necessary for development of the record and advocacy of TCUC position. Duplication of effort was avoided.
6. My firm's individual charges and rates are reasonable, consistent with the rates billed to others for similar work and comparable to rates charged by other professionals with the same level of expertise and experience. The amounts charged for such service are reasonable and there has been no double billing of charges. No meal expense has been billed by any attorney or other Herrera & Boyle personnel. No charges have been incurred or billed for luxury items, first-class airfare, limousines, alcohol, sporting events, or entertainment.
7. For the period March 29, 2015 through June 30, 2015, Herrera & Boyle has billed \$71,290.29 related to CenterPoint's *March 27th Statement of Intent*. This figure includes \$38,035.29 in legal fees and expenses and \$33,255.00 in consultant fees and expenses. The fees and expenses incurred through June 30, 2015 were necessary to advise TCUC on the rate package filing, review the application, identify issues, coordinate activities, retain and work with consultants, engage in discovery, draft pleadings, and prepare for and attend pre-hearings, attend settlement meetings. Invoices for CenterPoint's *March 27th Statement of Intent* are provided at Exhibit 1.
8. The attorney hourly rates of \$270-\$345, upon which the billings are based, are comparable to hourly rates charged to other clients for comparable services during the same time frame. Herrera & Boyle's rates are at the lower end of the range of reasonable hourly rates compared to the rates charges by other lawyers with similar experience providing similar services.
9. The hours spent to perform the tasks assigned to Herrera & Boyle were necessary to complete the required tasks in a professional manner on a timely basis. My many years in working with and supervising attorneys and consultants in utility rate cases at the Commission and the Public Utility Commission facilitates efforts to keep rate case expenses reasonable.
10. Ms. Connie Cannady is an Executive Consultant with the firm of NewGen Strategies & Solutions, LLC in the firm's Energy Practice. She has participated in over 50 utility rate proceedings over a 30-year career. Her time and efforts in CenterPoint's *March 27th Statement of Intent* were coordinated by me. Because of her extensive background and experience, including knowledge of CenterPoint, Ms. Cannady was able to work very efficiently and accomplish her assignment with fewer hours than I would expect other consultants or expert witnesses would require. Ms. Cannady's time, effort and associated fees in CenterPoint's *March 27th Statement of Intent* of \$33,255.00 are reasonable and necessary. Ms. Constance's resume is provided at Exhibit 2.

11. I also coordinated TCUC's participation in this proceeding with the other group of cities – the Gulf Coast Utilities Coalition of Cities ("GCCC") – in this proceeding to minimize, if not eliminate, duplication of effort between GCCC's participation in this proceeding and TCUC's participation, as well as to ensure no duplication of effort regarding the issues addressed by Ms. Cannady in her evaluation of CenterPoint's *March 27th Statement of Intent* and that of GCCC's consultant.
12. The invoices submitted by Herrera & Boyle include a description of services performed and time expended on each activity. The invoices for CenterPoint's *March 27th Statement of Intent* have been provided to CenterPoint. Herrera & Boyle has documented all charges with time sheets, invoices and records. The documentation in this case is similar to that provided in many previous cases at the Commission.
13. Legal expenses connected with CenterPoint's *March 27th Statement of Intent* total \$71,290.29. There are no luxury items associated with Herrera & Boyle's expenses. The total consists of reimbursable items such as courier services, express mail, postage and shipping, and photocopying. Internal copying charges were limited to 15¢ per page.
14. My responsibilities included client communication, strategy development, overall case management, discovery review, review and edit testimony, prepare for hearing, attend pre-hearings, and attendance at settlement meetings.
15. To complete CenterPoint's *March 27th Statement of Intent*, I estimate that the cities represented by Herrera & Boyle will incur additional fees and expenses of \$4,550.00. My estimate is based on actual experience in previous rate cases at the Commission and at the Public Utility Commission. TCUC will request reimbursement only for actual amount billed for work that has been performed.
16. TCUC reserves the right to amend this affidavit and its request for reimbursement as more information is gathered over the course of CenterPoint's *March 27th Statement of Intent*.
17. Statements in this affidavit are true and known by me personally.


Alfred R. Herrera

SWORN AND SUBSCRIBED before me on this the 1 of July 2015.


Notary Public, State of Texas

(seal)



Texas Coast Utilities Coalition

EXHIBIT NO. 1

1 of 40

	<i>Invoice Date</i>	<i>Invoice No.</i>	<i>Billing Period</i>	<i>Through Period</i>	<i>Invoice Amount</i>	<i>Total Billed to Date</i>	
NewGen Strategies & Solutions, LLC							
	5/18/15	3476	4/25/15	5/15/15	\$7,350.00	\$7,350.00	
	6/18/15	3572	5/16/15	6/15/15	\$20,617.50	\$27,967.50	
	6/30/15	3618	6/16/15	6/30/15	\$5,287.50	\$33,255.00	
						GDS total:	\$33,255.00
Herrera & Boyle, PLLC (legal fees & expenses)							
	5/11/15		3/29/15	4/30/15	\$3,637.00	\$3,637.00	
	6/10/15		5/1/15	5/31/15	\$5,584.45	\$9,221.45	
	7/1/15		6/1/15	6/30/15	\$28,813.84	\$38,035.29	
						HB total:	\$38,035.29
HB + Consultant Actual Fees & Expenses							\$71,290.29
HB Estimated Fees & Expenses to Complete Case							\$4,550.00
Total HB + Consultant Fees & Expenses							\$75,840.29

GAS UTILITIES DOCKET NO. 10432

STATEMENT OF INTENT FILED BY	§	BEFORE THE
CENTERPOINT ENERGY ENTEX TO	§	
INCREASE THE RATES IN THE	§	RAILROAD COMMISSION
UNINCORPORATED AREAS OF THE	§	
TEXAS COAST DIVISION	§	OF TEXAS

**AFFIDAVIT OF CHRISTOPHER L. BREWSTER
RELATED TO THE RATE CASE EXPENSES OF
GULF COAST COALITION OF CITIES**

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Christopher L. Brewster who being by me first duly sworn, on oath deposed and said the following:

1. My name is Christopher L. Brewster. I am a principal with the law firm of Lloyd Gosselink Rochelle and Townsend, P.C. ("Lloyd Gosselink") and counsel for the Gulf Coast Coalition of Cities ("GCCC") in Gas Utilities Docket ("GUD") No. 10432. I have addressed and participated in utility matters since 2003, starting at the Public Utility Commission of Texas ("PUC"). Since leaving the PUC in 2006, I have represented entities before the PUC and the Railroad Commission ("Commission") for over nine years. I have represented municipalities in numerous ratemaking proceedings since 2006.

2. I have reviewed the work performed by Lloyd Gosselink and the technical consultants on behalf of GCCC in connection with GUD No. 10432 concerning the *Statement of Intent filed by CenterPoint Energy Entex to Increase the Rates in the Unincorporated Areas of the Texas Coast Division*. I am over the age of 18 years and am not disqualified from making this affidavit. My statements are true and correct.

3. I have reviewed the billings of Lloyd Gosselink submitted to GCCC for legal services performed in GUD No. 10432. I affirm that those billings accurately reflect the time

spent and expenditures incurred by Lloyd Gosselink on GCCC's behalf. Those billings were accurately calculated before they were tendered, and there was no double billing. None of the charges billed to GCCC have been recovered through reimbursement for other expenses. The expenses charged were associated with the review of CenterPoint's Statement of Intent in GUD No. 10432 and were necessary to advise GCCC and accomplish tasks in this proceeding. Total rate case expenses (inclusive of legal fees, consultant charges, and other expenses) for GUD No. 10432 through June 30, 2015 are summarized in the chart attached to this affidavit as Attachment A.

4. For the period of March through June 30, 2015, Lloyd Gosselink has billed \$49,589.60 for legal services in GUD No. 10432. The fees and expenses incurred through June 30, 2015 were necessary to: advise GCCC on the review of CenterPoint's Statement of Intent, identify issues, retain and work with consultants, address discovery matters, prepare testimony, participate in settlement discussions, and negotiate the settlement agreement.

5. The attorneys' hourly rates of \$165-325, upon which the billings are based, are the same hourly rates charged other clients for comparable services during the same time frame. Our firm's rates are at the lower end of the range compared to the rates charged by other lawyers with similar experience providing similar services. The hours spent to perform the tasks assigned to Lloyd Gosselink were necessary to complete those tasks in a professional manner on a timely basis. The participating attorneys' many years of experience participating in utility rate cases aid in our efforts to keep rate case expenses reasonable.

6. Invoices from Lloyd Gosselink also include fees and expenses from ReSolved Energy Consulting, LLC for work performed by Karl Nalepa and his assistant in the amount of \$31,869.34. Mr. Nalepa is a regulatory expert engaged to present testimony and consult on the issues in this case. Mr. Nalepa's hourly rate for this proceeding is \$260. This is the same or

similar hourly rate charged other clients for comparable services during the same time period. Mr. Nalepa and his assistant reviewed the CenterPoint's Statement of Intent, identified issues, prepared and reviewed discovery questions and responses, prepared direct testimony, assisted in settlement negotiations.

7. The invoices submitted by Lloyd Gosselink include a description of services performed and time expended on each activity. The invoices for GUD No. 10432 through June 30, 2015 are included as Attachment B to this affidavit. Lloyd Gosselink has documented all charges with time sheets, invoices and records. The documentation in this case is similar to that provided in many previous ratemaking proceedings at the Railroad Commission.

8. I have made a detailed review of actual invoices for consultants and legal services for March through June 30, 2015. I conclude that the services rendered in these months were necessary for GCCC's participation in this proceeding and that the fees and expenses were reasonable in relation to the complexity of the issues addressed. Specifically, I made the following significant findings during my review:

- The hourly rates charged by GCCC's consultants and attorneys are within the range of reasonable rates;
- The number of individuals working on this matter at any given time was minimized;
- Consultants and attorneys accurately documented hours worked and services provided on their invoices;
- There were no time entries by any individual that exceeded 12 hours per day on any single matter or on a combined basis when work was performed on these cases; and
- There were no expenses that are subject to special scrutiny (e.g., luxury hotels, valet parking, designer coffee, airfare, meals).

9. I have reviewed all of the consultants' and attorneys' qualifications, along with a critical evaluation of their work product and the fees that they charged GCCC, and have found

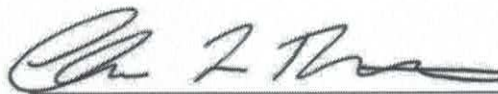
their services and fees to be reasonable and a good value. Each consultant and attorney provided services that were necessary for GCCC to fairly represent the interests of the members of GCCC in this rate-setting proceeding. All of the actual fees and expenses incurred to date are substantiated by detailed invoices, which I have included.

10. In addition to the expenses incurred through June 30, 2015, Lloyd Gosselink will incur fees and expenses in GUD No. 10432 beyond that date associated with continued work to finalize settlement documents subsequent to the date of this affidavit.

In consideration of this activity, GCCC estimates that its remaining expense of participating in this case beyond June 30, 2015 will not exceed \$5,000. In the event that the settlement in this matter is not adopted, or some additional process or litigation is required to bring this matter to a close, GCCC would seek to quantify an additional rate case expense amount.

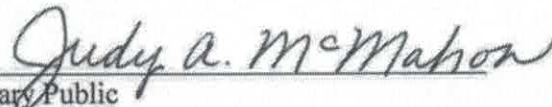
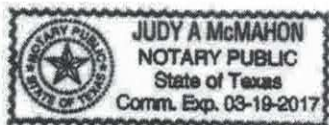
11. The total amounts requested for expenses through June 30, 2015 of \$81,458.94 for GUD No. 10432 and the estimate beyond that date, are reasonable given the complexity, importance, and magnitude of this case, the nature of GCCC's case, and the number of issues.

Dated: July 1, 2015.



CHRISTOPHER L. BREWSTER

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority, on this 1st day of July, 2015.


Notary Public

Attachment A

GUD No. 10432 - CenterPoint 2015 Texas Coast Division Rate Case GCCC's Rate Case Expense Tracking

	Invoice Date	Invoice No.	Billing Period	Through Period	Invoice Amount	Total Billed to Date	
Lloyd Gosselink	4/13/15	97463860	3/1/15	3/31/15	\$1,487.50	\$1,487.50	
	5/12/15	97464751	4/1/15	4/30/15	\$7,314.73	\$8,802.23	
	6/10/15	97465319	5/1/15	5/31/15	\$6,258.17	\$15,060.40	
	7/1/15	97465816	6/1/15	6/30/15	\$34,529.20	\$49,589.60	
						Total LG:	\$49,589.60
Resolved Energy Consulting, LLC	5/6/15	3556	3/30/15	4/30/15	\$9,670.00	\$9,670.00	
	6/3/15	3568	5/1/15	5/31/15	\$6,360.00	\$16,030.00	
	6/30/15	3579	6/1/15	6/30/15	\$15,839.34	\$31,869.34	
						Total Resolved:	\$31,869.34
LG + Consultant	4/13/15	97463860	3/1/15	3/31/15	\$1,487.50	\$1,487.50	
	5/12/15	97465799	4/1/15	4/30/15	\$16,984.73	\$18,472.23	
	6/10/15	97465319	5/1/15	5/31/15	\$12,618.17	\$31,090.40	
	7/1/15	97465816	6/1/15	6/30/15	\$50,368.54	\$81,458.94	
						LG + Consultant Total:	\$81,458.94
						Estimate to completion:	\$5,000.00
						Grand Total:	\$86,458.94

Texas Coast 2015 Rate Case Expense Surcharge

Rate Case Expense by Party

Line No.		Surcharge # Bills		Surcharge	
		Customers	36 Months	Components	
1					
2	CNP	\$ 619,887.57	10,073,664	\$ 0.06	All Customers
3	Intervenor	\$ 162,299.23	10,073,664	\$ 0.02	All Customers
4	Total - All Customers	\$ 782,186.80	10,073,664	\$ 0.08	All Customers

Note: Number of customers above exclude those customers billed on Houston Division rates.

CenterPoint Energy
Texas Coast Division
September 30, 2014 Number of Customers

Line No.	City	Number of Customers		
		Residential	General Service Small	Large Volume
1	Alvin Env	691	16	0
2	Alvin Inc	4,699	382	14
3	Angleton Env	107	18	0
4	Angleton Inc	4,078	264	8
5	Bacliff	2,037	97	1
6	Barrett's Settlement	642	32	0
7	Baytown Env	6,332	210	0
8	Baytown Inc	14,744	775	55
9	Beach City Env	275	8	0
10	Beach City Inc	224	3	0
11	Beasley Env	2	0	0
12	Beasley Inc	94	12	0
13	Boling Env	229	17	0
14	Brookshire Env	592	103	0
15	Brookshire Inc	228	66	10
16	Brookside Village Inc	446	11	0
17	Channel Area	1	16	0
18	Clr Lake Shores Env	25	4	0
19	Clr Lake Shores Inc	398	16	0
20	Clute Env	61	1	0
21	Clute Inc	1,924	165	4
22	Columbia Lakes	426	10	0
23	Crosby	966	140	1
24	Damon Env	104	9	0
25	Danbury Env	45	1	0
26	Danbury Inc	397	27	0
27	Deer Park Inc	0	15	1
28	Dickinson Env	1,029	30	0
29	Dickinson Inc	3,924	196	8
30	East Bernard Env	3	10	0
31	East Bernard Inc	338	54	0
32	El Lago Inc	874	19	0
33	Freeport Env	0	8	0
34	Freeport Inc	2,174	177	4
35	Friendswood Env	2,437	25	0
36	Friendswood Inc	9,006	336	9
37	Fulshear Env	186	41	0
38	Fulshear Inc	1,556	116	0
39	Glen Flora Env	36	6	0
40	Highlands Env	2,760	91	1
41	Hillcrest Vilg Env	139	0	0
42	Hillcrest Vilg Inc	267	2	0
43	Hitchcock Env	111	6	0
44	Hitchcock Inc	1,348	82	1
45	Houston Annex	15	112	0
46	Houston Inc	978	53	3
47	Huffman Env	0	0	2

CenterPoint Energy
Texas Coast Division
September 30, 2014 Number of Customers

Line No.	City	Number of Customers		
		Residential	General Service	
			Small	Large Volume
48	Hungerford Env	84	12	0
49	Iago Env	59	4	0
50	Iowa Colony	658	57	0
51	Jones Creek Env	39	4	0
52	Jones Creek Inc	467	10	0
53	Katy Env	10,832	674	0
54	Katy Inc	3,801	313	13
55	Kemah Env	88	2	0
56	Kemah Inc	511	65	10
57	Kendleton Env	1	0	0
58	Kendleton Inc	33	3	0
59	La Marque Inc	4,346	230	3
60	La Porte Env	4	15	0
61	La Porte Inc	7,718	379	9
62	Lake Jackson Env	91	2	0
63	Lake Jackson Inc	7,122	254	12
64	League City Inc	24,009	887	16
65	Liverpool Env	149	2	0
66	Liverpool Inc	100	8	2
67	Manvel Env	274	18	0
68	Manvel Inc	1,132	81	1
69	Missouri City Inc	1,438	37	0
70	Morgan's Point Inc	118	16	0
71	Mt. Belvieu Env	410	28	0
72	Mt. Belvieu Inc	1,058	94	1
73	Needville Env	69	19	0
74	Needville Inc	641	58	1
75	New Gulf Env	25	9	0
76	Old Ocean Env	25	4	0
77	Orchard Env	8	1	0
78	Orchard Inc	92	8	0
79	Oyster Creek Env	54	2	0
80	Oyster Creek Inc	112	18	0
81	Pasadena Env	0	5	0
82	Pasadena Inc	825	18	4
83	Pearland Env	8,099	211	0
84	Pearland Inc	26,657	978	36
85	Pecan Grove Env	21,541	896	0
86	Pleak Inc	14	1	0
87	Richmond Env	3,327	302	0
88	Richmond Inc	2,043	177	14
89	Richwood Env	281	4	0
90	Richwood Inc	810	32	0
91	Rosenberg Env	3,646	201	0
92	Rosenberg Inc	6,370	517	17
93	Rosharon Env	133	27	0
94	San Leon Env	739	33	0

CenterPoint Energy
Texas Coast Division
September 30, 2014 Number of Customers

Line No.	City	Number of Customers		
		Residential	General Service	
			Small	Large Volume
95	Santa Fe Env	83	3	0
96	Santa Fe Inc	1,930	94	1
97	Seabrook Inc	3,246	147	6
98	Shoreacres Inc	583	9	0
99	Sienna Plantation	13	0	0
100	Sugar Land Env	15,000	167	0
101	Sugar Land Inc	19,889	626	36
102	Taylor Lake Vilg Inc	1,399	10	0
103	Teal Run	5,966	203	0
104	Texas City Inc	9,738	524	17
105	Van Vleck Env	221	22	0
106	Wallis Env	6	2	0
107	Wallis Inc	252	29	1
108	Webster Env	0	1	0
109	Webster Inc	448	212	24
110	West Columbia Env	103	11	0
111	West Columbia Inc	774	89	0
112	Weston Lakes Env	212	7	0
113	Weston Lakes Inc.	1,227	37	0
114	Wharton Env	80	3	0
115	Wharton Inc	1,769	208	8
116	TOTAL	269,940	12,902	354

Note: For ratemaking purposes, the cities of Houston, Deer Park, Missouri City, and Pasadena are part of the Company's Houston Division; however, the corporate limits of those cities extend into the Texas Coast Division. The minimal revenues, expenses, and plant of these cities that are in the Texas Coast Division are reflected in this application. The Company is not requesting a rate change for these cities.

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ATTACHMENT B

***CenterPoint and Texas Coast
Utilities Coalition of Cities***

Rule 11 Agreement

***GUD Nos. 9791, 9910, 10007, and
10097***

Parsley Coffin Renner

A Limited Liability Partnership

Post Office Box 13366
Austin, Texas 78711
Telephone (512) 879-0900
Fax (512) 879-0912

July 2, 2015

Alfred R. Herrera
Attorney for Texas Coast Coalition of Cities
816 Congress Avenue, Suite 1250
Austin, Texas 78701

Re: GUD 10432; *Statement of Intent of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas to Increase Rates on a Division-wide Basis in the Texas Coast Division*

Mr. Herrera:

This letter confirms our agreement regarding the disposition of certain cases described below and also referenced in the Unanimous Settlement Agreement signed by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company") and the Texas Coast Utilities Coalition ("TCUC") in Gas Utilities Docket ("GUD") No. 10432.

Pursuant to Rule 11 of the Texas Rules of Civil Procedure, TCUC and CenterPoint agree to the following:

1. As part of the Unanimous Settlement Agreement in GUD No. 10432, and within twenty days from the Railroad Commission's approval of that Agreement, TCUC agrees to withdraw its pending appeal in the Remand of GUD No. 9791 and its appeals of GUD Nos. 9910, 10007 and 10097, which are currently pending in Travis County District Courts (docketed as D-1-GN-10-001189, D-1-GN-11-001472, D-1-GN-12-000930, D-1-GN-12-000931, and D-1-GN-12-000932).
2. Within thirty (30) days from all TCUC cities having issued an ordinance or resolution approving the Unanimous Settlement Agreement in GUD No. 10432, approving the rate case expense tariff attached to this agreement, and TCUC having provided an invoice for actual amounts incurred and yet to be reimbursed, CenterPoint shall reimburse TCUC its expenses related to GUD No. 9791 and to GUD Nos. 9910, 10007 and 10097, including related appeals, in the amount of \$405,000 and CenterPoint shall recover TCUC's unreimbursed expenses associated with these proceedings through a surcharge in the Cities of Angleton, Baytown, Clute, Freeport, League City, Pearland, Shoreacres, West Columbia, and Wharton, Texas (collectively, "TCUC Cities") and the Company agrees not to seek recovery of its expenses associated with these appeals. The recovery period for the applicable

surcharge in the TCUC Cities shall be thirty-six months and the surcharge shall be computed and applied based on the volume of gas sold by CenterPoint in the TCUC Cities.

Invoices will be sent to the following address for processing:

Thomas Stevens
Director of Regulatory Affairs
CenterPoint Energy
P.O. Box 2628
Houston, Texas 77252-2628

Please sign below to indicate your agreement to these terms

Best regards,



Mark Santos
Attorney for CenterPoint

AGREED:



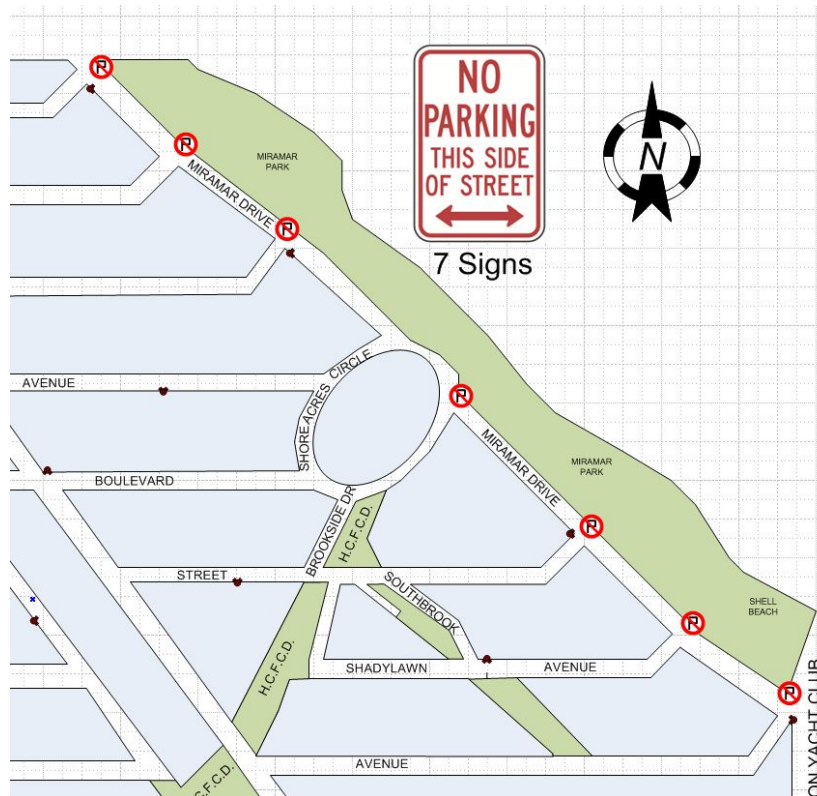
Alfred R. Herrera
Attorney for Texas Coast Coalition of Cities

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OPTION 1: Signs Facing Northbound Traffic



OPTION 2: Signs Facing the Intersection (Eastbound Traffic)

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**RESOLUTION No. 2015-148
CITY OF SHOREACRES**

A RESOLUTION APPOINTING MEMBERS OF THE PARKS AND RECREATION ADVISORY BOARD; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE HEREOF.

* * * *

WHEREAS, Section 42-32 of the Shoreacres' City Code confers upon the mayor the authority to nominate members of the Parks and Recreation Advisory Board upon the expiration of terms and to fill unexpired terms of any member who resigns or who no longer meets the qualifications of office; and,

WHEREAS, Section 42-32 of the Shoreacres' City Code provides that such nominations shall be ratified by the City Council during a regular council meeting;

WHEREAS, Mayor Rick Moses hereby nominates John Kuhn to be a member of the Parks and Recreation Advisory Board;

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

THAT, the City Council hereby ratifies and appoints the following individuals as members of the Parks and Recreation Advisory Board:

Position 6. John Kuhn serving a two-year term ending January 31, 2016.

THAT, each member hereby appointed is a resident, living within the city limits, and qualified voter of the City of Shoreacres for at least the previous six-month before appointment or under the age of 18 years of age at the time of appointment.

The City Council officially finds, determines, recites, and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this resolution and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

This Resolution shall take effect immediately upon passage.

PASSED AND APPROVED, this 13th day of July, 2015.

CITY OF SHOREACRES

(CITY SEAL)

By: _____
Rick Moses, Mayor

ATTEST:

David K. Stall, CFM, TEM
City Secretary

DESCRIPTION OF CITY OF SHOREACRES PARKS & RECREATION ADVISORY BOARD

The City of Shoreacres Parks and Recreation Advisory Board consists of seven (7) members, each serving two (2) year terms. Positions 1, 2 and 3 shall be appointed in odd numbered years while positions 4, 5, 6, and 7 shall be appointed in even-numbered years. Members to the Board are appointed during a regular council meeting.

Parks and recreational facilities and programs are established to promote the health and general well-being of the citizens. The Texas Local Government Code authorizes cities to establish, provide, acquire, maintain, construct, equip, operate, and supervise recreational facilities and programs.

Duties include:

- Advise City Council of feasible parks and recreation facilities, projects, and grants that may be available to the City.
- Make recommendations regarding such matters, which would include recommendation for funding of such projects.
- Attend meetings that will be held once per calendar quarter.
- Consult, advise and cooperate with other groups concerned with providing parks and recreation in and for the city.

Qualifications:

- Must be resident citizens, living within the city limits, and qualified voters (except for the member under age 18) of the City of Shoreacres for at least the previous six month period before being appointed to the Parks and Recreation Advisory Board.
- One member of positions 4, 5, 6 or 7 shall be under eighteen (18) years of age.

**** Whenever a member moves from Shoreacres, his/her membership automatically terminates.**

City of Shoreacres
Application for the appointment to Parks and Recreation
Advisory Board

Name: John Kuhn Date: 7-1-15

Date of Birth: 8-19-72

Home Address: 525 Baywood

Cell Phone: 713-550-6077 Work Cell Phone: 832-415-0723

Employer: Lyondell basell Position: HSE Specialist

Marital Status: married Spouse: Johnette Kuhn

Number of Children: 3 Ages: 20, 13, 11

Outside interests: cooking, hanging out w/ friends, Fabrication

List any Organizations, Programs you are involved in or have been in the last twelve months: La Porte cowboys & Cowgirls

Cooking teams

Why do you feel you would be a good choice for the Appointment to the Parks and Recreation Advisory Board: Interested in improving our

city so that I can raise my kids in this community

[Signature]
Signature

**ORDINANCE No. 2015-183
CITY OF SHOREACRES, TEXAS**

AN ORDINANCE AMENDING THE CODE OF THE CITY OF SHOREACRES ESTABLISHING A CITY ONLINE MESSAGE BOARD IN COMPLIANCE WITH TEXAS GOVERNMENT CODE SEC. 551.006; CONTAINING A SEVERABILITY CLAUSE; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE HEREOF.

* * * * *

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

That, the facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct; and,

That the Shoreacres City Code is hereby amended by adding DIVISION 4. – INTERNET under ARTICLE V – PUBLIC RECORDS; and,

That thereunder the Shoreacres City Code is hereby amended by adding a section to be numbered 2-261, which section reads as follows:

Sec. 2-261. City Online Message Board.

(1) Definitions

- (a) “Online message board” shall mean a commonly used free of charge message board software system capable of running on the city’s official website.
- (b) “Governing Body” shall have the same meaning as in Texas Local Government Code Sec. 22.031(b).
- (c) “Users” shall mean all members of the governing body and city staff members authorized by the Mayor.
- (d) “Administrator” shall mean the person or persons designated by the governing body to maintain the city’s website.

(2) Except as required by this section, the city shall maintain and operate its online message board in compliance with Texas Government Code Sec. 551.006.

(3) Access and administration

- (a) The administrator shall be responsible for the installation and maintenance of the message board. Maintenance shall include software updates, administering user accounts, and archiving messages. User accounts shall require passwords. User passwords shall only be stored in an encrypted format within the message board software. The administrator shall not modify or delete any posted messages by any user except to archive them as provided within this section.

- (b) Users shall have message board read and write privileges. Users shall be denied modification and delete privileges to all messages posted. Users shall ensure that no one has access to their account other than the user assigned to the account.
- (c) The public shall have read only access to all messages posted by users on the message board.
- (4) All posted messages shall remain visible to the public for a period of no less than 12 months from the creation of the message.
- (5) Users shall not post messages where the content may be construed to violate any section of city code.

* * * *

That the governing body of city of Shoreacres directs the city administration to install, establish, and maintain, the online message board created herein within 30 days of this ordinance passing; and,

That if any section, clause, sentence, or phrase of this Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Ordinance; and,

That the City Council officially finds, determines, recites, and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

PASSED AND APPROVED this the 13th day of July 2015.

(CITY SEAL)

Rick Moses, Mayor

ATTEST:

David K. Stall, CFM, TEM
City Secretary

M/2		Yea	Nay	N/V	Absent
<input type="checkbox"/>	R. Moses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	R. Adams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	D. Jennings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	J. McKown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	N. Schnell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	M. Wheeler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passed / Failed _____

David Stall, City Secretary - Date

S.B. 1297: Online Message Board Discussions

Recent legislation has attempted to allow some discussion amongst members of a governmental body outside of an open meeting using the Internet. Senate Bill 1297, a bill that passed during the Eighty-Third Legislative Session, adds a provision to the Texas Open Meetings Act that is effective September 1, 2013. This provision provides that communication between councilmembers about public business or public policy over which the council has supervision or control *does not* constitute a meeting if certain conditions are met. The communication must be:

1. in writing;
2. posted to an online message board that is viewable and searchable by the public; and
3. displayed in real time and displayed on the message board for no less than 30 days after the communication is first posted.

A city is prohibited from having more than one online message board used for these purposes. Additionally:

- The online message board must be prominently displayed on the city's primary website and no more than one click away from the city's website.
- The message board may only be used by city councilmembers or city employees that have received authorization from the council.
- If a city employee posts on the message board, the employee must include his or her name and title with the communication.
- The council may not vote or take action by posting on the city's online message board, and if the city removes a posted message, the city must retain the posting for six years.

Facebook *should* satisfy the requirements of S.B. 1297. If a city intends to use Facebook as the city's sole online message board, the city must ensure that the Facebook page is "public" and viewable by the public. Additionally, a disclaimer underneath the link from the city's main page and on the Facebook page should be displayed with language stating that the page is in compliance with S.B. 1297 and only members of the city council or staff members authorized by the council may post on the board. A section-by-section analysis of the Government Code provision added by the bill is available at <http://www.tml.org/p/SB-1297-and-Facebook-July2013.pdf> (/p/SB-1297-and-Facebook-July2013.pdf).

Other than the exception created by S.B. 1297, city officials should remember that communications between a quorum of a city council about public business, no matter the forum or the time, can be a "meeting" to which the Open Meetings Act applies. If the Act applies to a discussion, an agenda must be posted 72 hours in advance, and the public must be able to attend. It is essentially impossible for a private Facebook post or discussion to meet those requirements.

As such, city councilmembers should avoid commenting on private Facebook posts related to city business if the discussion will ultimately involve a quorum. (Note: Less than a quorum can also violate the Act by having secret deliberations to circumvent the Act's requirements. Thus, city officials should always use caution with social media.).

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Sec. 551.006. WRITTEN ELECTRONIC COMMUNICATIONS ACCESSIBLE TO PUBLIC. (a) A communication or exchange of information between members of a governmental body about public business or public policy over which the governmental body has supervision or control does not constitute a meeting or deliberation for purposes of this chapter if:

- (1) the communication is in writing;
- (2) the writing is posted to an online message board or similar Internet application that is viewable and searchable by the public; and
- (3) the communication is displayed in real time and displayed on the online message board or similar Internet application for no less than 30 days after the communication is first posted.

(b) A governmental body may have no more than one online message board or similar Internet application to be used for the purposes described in Subsection (a). The online message board or similar Internet application must be owned or controlled by the governmental body, prominently displayed on the governmental body's primary Internet web page, and no more than one click away from the governmental body's primary Internet web page.

(c) The online message board or similar Internet application described in Subsection (a) may only be used by members of the governmental body or staff members of the governmental body who have received specific authorization from a member of the governmental body. In the event that a staff member posts a communication to the online message board or similar Internet application, the name and title of the staff member must be posted along with the communication.

(d) If a governmental body removes from the online message board or similar Internet application a communication that has been posted for at least 30 days, the governmental body shall maintain the posting for a period of six years. This communication is public information and must be disclosed in accordance with Chapter 552.

(e) The governmental body may not vote or take any action that is required to be taken at a meeting under this chapter of the governmental body by posting a communication to the online message board or similar Internet application. In no event shall a communication or posting to the online message board or similar Internet application be construed to be an action of the governmental body.

Added by Acts 2013, 83rd Leg., R.S., Ch. 685 (H.B. [2414](#)), Sec. 3, eff. June 14, 2013.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1201 (S.B. [1297](#)), Sec. 1, eff. September 1, 2013.

BILL ANALYSIS

Senate Research Center

S.B. 1297
By: Watson
Open Government
3/21/2013
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

To ensure public business is conducted in an open and transparent manner, the Texas Open Meetings Act (Act) prohibits a member of a state or local governmental body's board or commission from communicating with its fellow board members unless it is in an open meeting. As a result, boards cannot communicate electronically or otherwise outside of publicly posted meetings about official business or policy matters.

S.B. 1297 expands the Act by authorizing governmental bodies to use a publicly viewable electronic communications board through which board members can communicate with each other, thereby facilitating electronic communications between board members while still protecting the public's interest in open and transparent government. Although the bill authorizes electronic communication among board members, no official action can be taken via this method of communication.

S.B. 1297 imposes the following requirements and controls on official message boards:

- the communication must be in writing;
- the writing must be posted to an online message board that is viewable by the public;
- the communication must be displayed in real time and be displayed on the online message board for no less than 30 days after the communication is first posted;
- the governmental body may have only one online message board that the governmental body either owns or controls;
- the online message board must be prominently displayed on the governmental body's primary Internet website;
- the online message board may only be used by members of the governmental body and/or its officers;
- a communication that a member of the governmental body removes from an online message board after the 30-day window is subject to the Public Information Act and must be retained for two years; and
- the governmental body may not vote or take any action that is required to be taken at a meeting simply by posting a written communication to an online message board.

As proposed, S.B. 1297 amends current law relating to written electronic communications between members of a governmental body.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 551, Government Code, by adding Section 551.006, as follows:

Sec. 551.006. WRITTEN ELECTRONIC COMMUNICATIONS ACCESSIBLE TO PUBLIC. (a) Provides that a communication or exchange of information between members of a governmental body about public business or public policy over which the

governmental body has supervision or control does not constitute a meeting or deliberation for purposes of this chapter if:

- (1) the communication is in writing;
- (2) the writing is posted to an online message board or similar Internet application that is viewable by the public; and
- (3) the communication is displayed in real time and displayed on the online message board or similar Internet application for no less than thirty days after the communication is first posted.

(b) Authorizes a governmental body to have no more than one online message board or similar Internet application to be used for the purposes described in subsection (a). Requires that the online message board or similar Internet application be owned or controlled by the governmental body, be prominently displayed on the governmental body's primary Internet web page, and be no more than one click away from the governmental body's primary Internet web page.

(c) Authorizes the online message board or similar Internet application described in subsection (a) to only be used by members of the governmental body or staff members of the governmental body who have received specific authorization from a member of the governmental body. Requires that, in the event that a staff member posts a communication to the online message board or similar Internet application, the name and title of the staff member be posted along with the communication.

(d) Requires the governmental body, if a governmental body removes from the online message board or similar Internet application a communication that has been posted for at least thirty days, to maintain the posting for a period of two years. Provides that this communication is public information and is required to be disclosed in accordance with Chapter 552 (Public Information), Government Code.

(e) Prohibits the governmental body from voting or taking any action that is required to be taken at a meeting under this chapter of the governmental body by posting a communication to the online message board or similar Internet application. Prohibits a communication or posting to the online message board or similar Internet application from being construed to be an action of the governmental body.

SECTION 2. Effective date: September 1, 2013.

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**RESOLUTION No. 2015-149
CITY OF SHOREACRES**

A RESOLUTION REQUIRING THE CITY TO POST CHECK
REGISTERS FOR EACH CITY CHECKING ACCOUNT ON THE
CITY WEBSITE; MAKING VARIOUS FINDINGS AND
PROVISIONS RELATING TO THE SUBJECT; FINDING
COMPLIANCE WITH THE OPEN MEETINGS LAW; AND,
PROVIDING AN EFFECTIVE DATE HEREOF.

* * * *

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

Section 1. The matters and facts recited in the preamble to this Resolution are correct and the same are incorporated herein as a part of this Resolution.

Section 2. The city secretary is hereby directed each calendar month to create, assemble, and present all city checking account check registers on the city website where they can be easily accessed by the public. The registers shall include written checks and electronic transactions and be placed on the website on or before the 21st day of the following month.

Section 3. Confidential employee pay, benefits and withholding amounts shall be consolidated into totals within the check register or presented in a separate monthly expense report.

Section 4. Other confidential items and information protected from disclosure is edited out of the check registered placed on the city website.

The City Council officially finds, determines, recites, and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this resolution and the subject matter thereof has been discussed, considered and

formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

This Resolution shall take effect immediately upon passage.

PASSED AND APPROVED, this 13th day of July, 2015.

CITY OF SHOREACRES

(CITY SEAL)

By: _____

Rick Moses, Mayor

ATTEST:

David K. Stall, CFM, TEM
City Secretary