

**RESOLUTION NO. R-2012-20**

**RESOLUTION OF THE CITY OF TYLER SUSPENDING THE AUGUST 6, 2012, EFFECTIVE DATE OF CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS BEAUMONT/EAST TEXAS DIVISION REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH OTHER CITIES IN THE CENTERPOINT BEAUMONT/EAST TEXAS SERVICE AREA; HIRING LEGAL AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; AUTHORIZING INTERVENTION IN GUD NO. 10182 AT THE RAILROAD COMMISSION; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL**

**WHEREAS**, on or about July 2, 2012, CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or "Company"), pursuant to Gas Utility Regulatory Act § 104.102 filed with the City of Tyler a Statement of Intent to change gas rates in all municipalities exercising original jurisdiction within its Beaumont/East Texas Division service area effective August 6, 2012; and

**WHEREAS**, it is reasonable for the City of Tyler to cooperate with other similarly situated cities in conducting a review of the Company's application and to hire and direct legal counsel and consultants and to prepare a common response and to negotiate with the Company and direct any necessary litigation; and

**WHEREAS**, the Gas Utility Regulatory Act § 104.107 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days; and

**WHEREAS**, CenterPoint has filed an application with the Railroad Commission, GUD No. 10182, that could become the docket into which appeals of city action on the CenterPoint filing are consolidated;

**WHEREAS**, the Gas Utility Regulatory Act § 103.022 provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility.

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS:**

**PART 1.** That the August 6, 2012, effective date of the rate request submitted by CenterPoint on or about July 2, 2012, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

**PART 2.** That the City is authorized to cooperate with other cities in the CenterPoint service area to hire and direct legal counsel and consultants, negotiate with the Company, make recommendations to the City regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of a rate ordinance and the rate case filed with the City or Railroad Commission.

**PART 3.** That subject to the right to terminate employment at any time, the City of Tyler hereby authorizes the hiring of Geoffrey Gay of the law firm of Lloyd Gosselink and consultants to represent the City in all matters associated with the CenterPoint application to increase rates and appeals thereof.

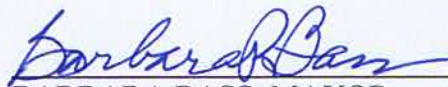
**PART 4.** That intervention in Railroad Commission GUD No. 10182 is authorized.

**PART 5.** That the City's reasonable rate case expenses shall be reimbursed by CenterPoint.


**PART 6.** That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

**PART 5.** A copy of this Resolution shall be sent to Keith Wall, Director of Regulatory Affairs, CenterPoint Energy, P.O. Box 2628, Houston, Texas 77252-2628, and to Geoffrey Gay, at Lloyd Gosselink, 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**PASSED AND APPROVED** this 25th day of July, 2012.

  
BARBARA BASS, MAYOR  
CITY OF TYLER, TEXAS

ATTEST:

  
CASSANDRA BRAGER, CITY CLERK

APPROVED:

  
GARY C. LANDERS, CITY ATTORNEY

