

RESOLUTION NO. R-2012-31

RESOLUTION OF THE CITY OF TYLER DENYING CENTERPOINT ENERGY TEXAS GAS BEAUMONT/EAST TEXAS DIVISION'S REQUESTED RATE CHANGE; REQUIRING THE COMPANY TO REIMBURSE THE CITY'S REASONABLE RATEMAKING 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 CITIES' LEGAL COUNSEL

WHEREAS, the City of Tyler, Texas ("City") is a gas utility customer of CenterPoint Energy Texas Gas Beaumont/East Texas Division ("CenterPoint" or "Company"), and is a regulatory authority under the Gas Utility Regulatory Act ("GURA") and under Chapter 104, § 104.001 et seq. of GURA, has exclusive original jurisdiction over CenterPoint's rates, operations, and services within the City; and

WHEREAS, the City is a member of a coalition of six similarly situated cities served by the Company that have joined together to facilitate the review and response to natural gas issues affecting rates charged in the Beaumont/East Texas Division; and

WHEREAS, on or about July 2, 2012, the Company filed a Statement of Intent with the cities retaining original jurisdiction within Beaumont/East Texas Division to increase rates by approximately \$8.6 million; and

WHEREAS, the Company proposed August 6, 2012, as the effective date for its requested increase in rates; and

WHEREAS, the City suspended the effective date of CenterPoint's proposed rate increase for the maximum period allowed by law and thus extended the City's jurisdiction until November 5, 2012; and

WHEREAS, City's consultant conducted a review of the Company's requested rate increase and concluded that the Company's request is inflated; and

WHEREAS, failure by cities with original jurisdiction to take action before November 5, 2012 would allow the Company the right to impose its full request on residents of cities; and

WHEREAS, the City's legal counsel recommends denial of the Company's proposed rate increase in order to continue settlement discussions pending the Company's appeal of cities' denials to the Railroad Commission of Texas; and

WHEREAS, the GURA § 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 rates proposed by CenterPoint to be recovered through its gas rates charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.


PART 2. That the Company shall continue to charge its existing rates to customers within the City and that said existing rates are reasonable.

PART 3. That the City's reasonable rate case expenses shall be reimbursed by the Company.

PART 4. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open 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 CenterPoint, care of Keith Wall, Director of Regulatory Affairs, CenterPoint Energy, P.O. Box 2628, Houston, Texas 77252-2628, and to Geoffrey Gay, City's Counsel at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this 19th day of November, 2012.



BARBARA BASS, MAYOR
CITY OF TYLER, TEXAS

ATTEST:



CASSANDRA BRAGER, CITY CLERK



APPROVED:



GARY C. LANDERS, CITY ATTORNEY