

RESOLUTION NO. R-2016-18

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS, SUSPENDING THE MAY 30, 2016 EFFECTIVE DATE OF THE PROPOSAL BY CENTERPOINT GAS EAST TEXAS DIVISION SERVICE AREA TO IMPLEMENT INTERIM GRIP RATE ADJUSTMENTS FOR GAS UTILITY INVESTMENT IN THE CITY OF TYLER AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Tyler, Texas ("City") is a gas utility customer of CenterPoint Gas East Texas Division ("CenterPoint" or "the Company") and a regulatory authority with an interest in the rates and charges of CenterPoint; and

**WHEREAS**, CenterPoint made filings with the City and the Railroad Commission of Texas ("Railroad Commission") in its Statement of Intent on March 31, 2016, proposing to implement interim rate adjustments ("GRIP Rate Increases") pursuant to Texas Utilities Code § 104.301 on all customers served by CenterPoint, effective May 30, 2016; and

**WHEREAS**, it is incumbent upon the City, as a regulatory authority, to examine the GRIP Rate Increases to determine its compliance with the Texas Utilities Code.

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

**PART 1:** The May 30, 2016 effective date of the GRIP Rate Increases proposed by CenterPoint is hereby suspended for the maximum period allowed by Texas Utilities Code § 104.301(a) to permit adequate time to review the proposed increases, analyze all necessary information, and take appropriate action related to the proposed increases.

**PART 2:** A copy of this Resolution shall be sent to CenterPoint, care of Thomas D. Stevens, Director of Regulatory Affairs, CenterPoint Energy, P.O. Box 1700, Houston, Texas 77251-1700.

**PART 3:** That this Resolution shall take effect immediately upon its adoption.

**PASSED AND APPROVED** this the 25th day of May, 2016.

  
\_\_\_\_\_  
MARTIN HEINES, MAYOR  
OF THE CITY OF TYLER, TEXAS

ATTEST:

  
\_\_\_\_\_  
CASSANDRA BRAGER, CITY CLERK



APPROVED:

  
\_\_\_\_\_  
DEBORAH G. PULLUM,  
CITY ATTORNEY

ATTACHMENT A TO RESOLUTION NO. R-2016-18

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CenterPoint Energy  
P.O. Box 1700  
Houston, TX 77251-1700

March 31, 2016

Mayor and City Council  
City of Tyler  
Tyler, Texas

Re: CenterPoint Energy 2016 Annual GRIP Adjustment for the Beaumont/East Texas Division

Dear Madam or Sir:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company"), files the enclosed tariffs and supporting documents, including a CD of the electronic files, with the City of Tyler ("City") consistent with Section 7.7101 of the Railroad Commission of Texas ("Commission") Gas Services Division Rules and Section 104.301 of the Texas Utilities Code to establish the annual gas reliability infrastructure program ("GRIP") interim rate adjustment ("IRA") for the Company's Beaumont/East Texas Division, which includes the City. The proposed IRA will affect rates for natural gas service customers located in the City. Simultaneously with this filing, CenterPoint makes the same GRIP filing with the Commission for customers located in the environs and cities of the Beaumont/East Texas Division that have ceded original jurisdiction to the Commission.

CenterPoint consistently supplies its customers in the Beaumont/East Texas Division with safe and dependable natural gas service by prudently investing in additions and upgrades to its delivery system. The Company will continue to prudently invest in its infrastructure in order to improve its natural gas service to its customers and to anticipate and meet their needs under all operating conditions. The GRIP program enables a gas utility such as CenterPoint to begin recovery of its incremental capital investment in the system, subject to a prudence review in its next rate case. Consistent with Section 104.301 and Commission precedent, the City's review of this GRIP filing is limited to a ministerial review to ensure compliance with the GRIP statute.

Pursuant to applicable law, the proposed IRA will become effective on May 30, 2016, unless the City suspends that date for a period of no longer than forty-five (45) days. The approved IRA will be applied to the monthly customer charge and will remain in effect until superseded by the earlier of (1) the effective date of the Company's next annual GRIP adjustment for the Beaumont/East Texas Division; or (2) the issuance of a final order in a rate setting proceeding for the Beaumont/East Texas Division.

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As detailed in the attached schedules and supporting material, the Company invested \$36,034,473 in its Beaumont/East Texas Division in calendar year 2015, and the applicable IRA is:

Rate Schedules	Current Base Charge	2016 Interim Adjustment	Adjusted Charge
R-2091-GRIP 2016 Residential	\$ 19.59 per customer per month	\$1.71 per customer per month	\$21.30 per customer per month
GSS-2091-GRIP 2016 General Service Small	\$29.43 per customer per month	\$2.73 per customer per month	\$32.16 per customer per month
GSLV-622-GRIP 2016 General Service Large Volume	\$93.41 per customer per month	\$12.37 per customer per month	\$105.78 per customer per month

Along with and in support of the IRA, CenterPoint also includes the following:

- (a) An earnings monitoring report showing the Company's earnings for the Beaumont/East Texas Division during the 2015 calendar year (under the "Earnings Report" section of the enclosed filing).
- (b) An Interim Cost Recovery and Rate Adjustment Report containing accounting schedules and project reports for the GRIP Adjustment Period including a description of (i) the projects undertaken during the GRIP Adjustment Period (ii) the investment to provide utility service in the Beaumont/East Texas Division, which were both completed and placed in service during the GRIP Adjustment Period, (iii) the Company's prior utility investments in the Beaumont/East Texas Division that were either retired or abandoned during the GRIP Adjustment Period, and (iv) the cost, need and customers benefited by those investments and retirements (under the "Investment and Retirement Project Report" section of the enclosed filing).
- (c) The Company's calculation of the GRIP Adjustment amount to go into effect on the later of the Planned Effective Date or the end of any suspension period imposed (under the "Initial Adjustment Report" section of the enclosed filing).
- (d) Affidavits by Kristie Colvin, Tony A. Gardner and Randal M. Pryor (under the "Affidavits" section of the enclosed filing).

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- Ms. Colvin's affidavit verifies (i) that the Beaumont/East Texas Division's books and records are kept in accordance with the rules of the Commission and (ii) that the reports enclosed accurately reflect the Beaumont/East Texas Division's books and records related to the information in those reports.
- Mr. Gardner's affidavit verifies the notice of the GRIP filing through customer bill inserts.
- Mr. Pryor's affidavit concerns the reimbursement of relocation expenses.

In addition, the source documentation and workpapers supporting the data and calculations contained in the foregoing reports is maintained in CenterPoint's electronic databases which are available for review. To schedule an opportunity to review the electronic databases or any hard copy project files related to the new investment or retirements, please contact me at (713) 207-3583.

Notice of this proceeding will be provided to affected customers in the Beaumont/East Texas Division by bill insert or by separate mailing within 45 days after the date of this filing in accordance with the applicable law.

Please accept for filing the above mentioned tariffs, filing package and enclosures and return the enclosed copy of this letter with your file mark thereon to acknowledge such filings for our records.

Please do not hesitate to contact us with any questions you may have regarding this filing.

Sincerely,



Thomas D. Stevens  
Director of Regulatory Affairs

Attachments

cc: Mr. Randal M. Pryor  
Mr. George Hepburn  
Ms. Stephanie Juvane  
Ms. Gracy Rodriguez

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DELIVERED TO:

Cassandra Brager, City Clerk of  
NAME OFFICE (Mayor, City Secretary, etc.)  
the City of Tyler on this 31<sup>st</sup> day of March 2016. *Off. Clerk 3/31/16.*

Cassandra Brager  
SIGNATURE

