

RESOLUTION NO. R-2020-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS, DENYING CENTERPOINT ENERGY TEXAS BEAUMONT/EAST TEXAS DIVISION'S REQUESTED RATE INCREASE; 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 THE CITY'S LEGAL COUNSEL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Tyler, Texas ("City") is a gas utility customer of CenterPoint Energy Resources Corp., d/b/a CenterPoint Entex and CenterPoint Energy Gas's ("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 the East Texas Coalition of Cities ("ETCC"), a coalition of 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 CenterPoint's Beaumont and East Texas Divisions; and

WHEREAS, on or about November 14, 2019, the Company filed a Statement of Intent with the City to increase rates in its Beaumont/East Texas Division by approximately \$6.8 million per year; and

WHEREAS, CenterPoint proposed December 19, 2019 as the effective date for its requested increase in rates; and

WHEREAS, the City passed resolution No. R-2019-68 to suspend the effective date of CenterPoint's requested rate increase for the maximum period allowed by law, until March 18, 2020.

WHEREAS, the ETCC hired and directed legal counsel and consultants to prepare a common response to the Company's requested system-wide rate increase, which resulted in a conclusion that CenterPoint's rates are not reasonable and a recommendation that the rate request be denied; and

WHEREAS, the GURA § 103.022 provides that costs incurred by ETCC in ratemaking activities are to be reimbursed by the regulated utility.

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

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.

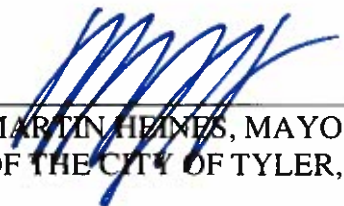
PART 3: That the City's reasonable rate case expenses shall be reimbursed by the Company.

PART 4: That it is hereby officially found and determined that the meeting at which this Resolution is passed is open 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 CenterPoint, care of Sam Chang, CenterPoint Energy, Inc., 1005 Congress Avenue, Suite 650, Austin, Texas 78701 (se.chang@centerpointenergy.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PART 6: That this Resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED this the 26th day of February, 2020.




MARTIN HEINES, MAYOR
OF THE CITY OF TYLER, TEXAS

ATTEST:



CASSANDRA BRAGER, CITY CLERK

APPROVED:



DEBORAH G. PULLUM,
CITY ATTORNEY