

RESOLUTION NO. R-2021-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS, SUSPENDING THE MAY 3, 2021 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 2021 Commission of Texas ("Railroad Commission") in its Statement of Intent on March 5, 2021 proposing to implement interim rate adjustments ("GRIP Rate Increases") pursuant to Texas Utilities Code § 104.301 on all customers served by CenterPoint, effective May 3, 2021; 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 3, 2021 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 Keith L. Wall, Director of Regulatory Affairs, 1111 Louisiana Street, CNP Tower 19th floor, Houston, Texas 77002, and to Thomas Brocato, legal counsel to the City, at Lloyd Gosselink, 816 Congress Ave., Suite 1900, Austin, Texas 78701.

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

PASSED AND APPROVED this the 24th day of March 2021.



DONALD P. WARREN, MAYOR
OF THE CITY OF TYLER, TEXAS

ATTEST:



CASSANDRA BRAGER, CITY CLERK



APPROVED:



DEBORAH G. PULLUM,
CITY ATTORNEY

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March 4, 2021

CenterPoint Energy
1111 Louisiana Street
Houston, TX 77002-5231
P.O. Box 2628
Houston, TX 77252-2628

RECEIVED

Mayor and City Council
City of Tyler
Tyler, Texas

MAR - 5 2021

Delivered by Certified Mail

CITY ATTORNEY'S OFFICE
City of Tyler

Re: CenterPoint Energy 2021 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 tariffs and supporting documents in electronic form 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 City's 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. This reduces regulatory lag and incentivizes needed investment. Consistent with Section 104.301 of the Texas Utilities Code 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 3, 2021, 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 \$61,932,145 in its Beaumont/East Texas Division from October 1, 2019 through December 31, 2020, and the applicable IRA is:

Rate Schedule	Current Customer Charge	Proposed 2021 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
R-2098-I-GRIP 2021; R-2098-U-GRIP 2021 Residential	\$18.00 per customer per month	\$2.39 per customer per month	\$20.39 per customer per month	\$2.39 per customer per month
GSS-2098-I-GRIP 2021; GSS-2098-U-GRIP 2021 General Service Small	\$36.56 per customer per month	\$3.92 per customer per month	\$40.48 per customer per month	\$3.92 per customer per month
GSLV-629-I-GRIP 2021; GSLV-629-U-GRIP 2021 General Service Large Volume	\$132.90 per customer per month	\$18.31 per customer per month	\$151.21 per customer per month	\$18.31 per customer per month

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

- (a) An earnings monitoring report showing the Company's earnings for the Beaumont/East Texas Division during the 2020 calendar year (under the "Earnings Monitoring Report" section of the enclosed filing).
- (b) An Interim Rate Adjustment Application 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 located in IRAs 12, 13, 14 and 15 which are voluminous and are being provided in electronic form only.
- (c) The Company's calculations 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 "Interim Rate Adjustment Application" section of the enclosed filing).
- (d) Affidavits by Kristie Colvin, Brian K. Gower and Tal R. Centers, Jr. (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. Gower's affidavit verifies the notice of the GRIP filing through customer bill inserts.
- Mr. Centers' 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) 207-5946.

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. Instead of a binder with a hard copy of the filing, the Company has provided the equivalent in electronic form in the folder called Electronic Copy of Filing.

Although only the incorporated tariffs are applicable to the City, the Company has also included in its filing package both incorporated and unincorporated tariffs.

The Company had automated its process of preparing the schedules and workpapers. Because of this automation, the Company has added columns and added tabs in the IRA forms and made minor changes to the formatting. A list of the changes is being provided.

If the City takes any action regarding this filing, please send signed documents, such as, ordinances, resolutions and minutes to the following address:

Keith L. Wall
1111 Louisiana Street
CNP Tower 19th floor
Houston, Texas 77002

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

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Sincerely,



Keith L. Wall
Director of Regulatory Affairs

Attachments

cc: Mr. Tal Centers
Mr. Sam Chang
Ms. Gracy Rodriguez

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Item	Changes	Tabs Affected
1	Interim Rate Adjustment Amount per Rate Class and Monthly Customer Charge Adjustment sections on separate tabs.	IRA-5
2	Authorized Return on Capital not linked to General Info. IRA-1 tab	IRA-5, IRA-20
3	Added line for Interim Rate Adjustment Amount Prior to State Margin Tax	IRA-5, IRA-21
4	Standard Allocation Percentage applied to Gross Plant, Depreciation Expense, Accumulated Depreciation, and Net Plant (column J-M) for each FERC Account	IRA-6
5	Ref Column for footnotes removed	IRA-6, IRA-7, IRA-8, IRA-9, IRA-10, IRA-11, IRA-16 (2019 & 2020), IRA-17 (2019 & 2020), IRA-18 (2019 & 2020), IRA-19 (2019 & 2020)
6	396-7380 Power Operated Equipment included in "Transportation and Power Operated Equipment" section	IRA-6, IRA-7, IRA-8, IRA-9, IRA-10, IRA-11, IRA-16 (2019 & 2020), IRA-17 (2019 & 2020), IRA-18 (2019 & 2020), IRA-19 (2019 & 2020)
7	Meals reported as reduction to rate base	IRA-6, IRA-7, IRA-8, IRA-16 (2019 & 2020)
8	Standard Allocation Percentage applied to Gross Plant, Depreciation Expense, Accumulated Depreciation, and Net Plant (column N-Q) for each FERC Account	IRA-7
9	Standard Allocation Percentage applied to Gross Plant, Depreciation Expense, Accumulated Depreciation, and Net Plant (column J-M) for each FERC Account	IRA-8
10	Standard Allocation Percentage applied to Gross Plant, Depreciation Expense, Accumulated Depreciation, and Net Plant (column P-S) for each FERC Account	IRA-9
11	Rate Base Adjustments section only present where amounts exist and not shown throughout	IRA-9, IRA-10, IRA-11, IRA-17, IRA-18, IRA-19
12	Standard Allocation Percentage applied to Gross Plant, Depreciation Expense, Accumulated Depreciation, and Net Plant (column T-W) for each FERC Account	IRA-10

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13	Standard Net Plant amounts shown for each FERC Account (Column P).	IRA-11
14	Standard Allocation Percentage applied to Depreciation Expense (column N) for each FERC Account	IRA-16 (2019 & 2020), IRA-17 (2019 & 2020)
15	Standard Allocation Percentage applied to Depreciation Expense (column R) for each FERC Account	IRA-18 (2019)
16	Standard Allocation Percentage applied to Depreciation Expense (column S) for each FERC Account	IRA-18 (2020)
17	Allocated Original Cost shown (Column O)	IRA-18 (2020)
18	Standard Allocation Percentage applied to Depreciation Expense (column P) for each FERC Account	IRA-19 (2019)
19	Standard Allocation Percentage applied to Depreciation Expense (column Q) for each FERC Account	IRA-19 (2020)
20	Allocated Original Cost shown (Column O)	IRA-19 (2020)
21	Federal Income Tax Rate not linked to General Info. IRA-1 tab	IRA-20
22	Weighted Cost of Debt not linked to General Info. IRA-1 tab	IRA-20
23	Ad Valorem Tax Rate not linked to General Info. IRA-1 tab	IRA-21
24	Line items for items recovered through other mechanisms (i.e. Franchise, Gross Receipts Tax, and Pipeline Safety fee) not included	IRA-21
25	Used Texas Margin Tax Gross-up Factor to calculate State Margin Tax Base for calculating State Margin Tax amount.	IRA-21
26	Revenue-related taxes (State Margin Tax) shown on separate tab	IRA-21
27	No longer have footnote schedules. Footnotes and comments are noted on each individual schedule.	IRA-22
28	Direct and Allocated Reconciliation Summaries are included in the supplemental workpapers	Direct Summary Recon/Allocated Summary Recon