

RESOLUTION NO. _____

RESOLUTION BY THE CITY OF KYLE, TEXAS (“CITY”) SUSPENDING THE EFFECTIVE DATE FOR NINETY DAYS IN CONNECTION WITH THE RATE INCREASE FILING MADE ON ABOUT ON NOVEMBER 16, 2017 BY CENTERPOINT ENERGY RESOURCES CORPORATION, D/B/A, CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS, FOR ITS SOUTH TEXAS DIVISION; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas (“CenterPoint” or “Company”) filed a Statement of Intent with the City on or about November 16, 2017, to change its rate schedules within the corporate limits of this municipality, specifically to increase its system-wide, annual revenue requirement by approximately \$1.2 million, which includes CenterPoint’s proposed 12-month surcharge; and

WHEREAS, the City is a regulatory authority under the Gas Utility Regulatory Act (“GURA”) and under Chapter 104, §103.001 et seq. of GURA has exclusive original jurisdiction over CenterPoint’s rates, operations, and services within the municipality; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating CenterPoint’s rate request and its changes in tariffs it is prudent to coordinate the City’s efforts with a coalition of similarly situated municipalities; and

WHEREAS, the City, in matters regarding applications by CenterPoint to change rates, has in the past joined with other local regulatory authorities to form the Alliance of CenterPoint Texas Municipalities-South Texas Division (“ACM”), and hereby continues its participation in ACM; and

WHEREAS, CenterPoint's rate request consists of a voluminous amount of information including CenterPoint's rate-filing package, pre-filed direct testimony, exhibits, schedules, and workpapers; and

WHEREAS, CenterPoint's rate application is the Company's first general rate case since about 2010, and follows five interim rate adjustments CenterPoint filed since its last general rate case, more commonly known as GRIP ("Gas Reliability Infrastructure Program") increases in rates filed under GURA § 104.301; and

WHEREAS, because this is CenterPoint's first general rate case following its five GRIP increases in rates, the City will need to evaluate the prudence of investments CenterPoint made under GURA § 104.301; and

WHEREAS, CenterPoint proposed December 21, 2017, as the effective date for its requested increase in rates; and

WHEREAS, it is not possible for the City to complete its review of CenterPoint's filing by December 21, 2017; and

WHEREAS, the City will need an adequate amount of time to review and evaluate CenterPoint's rate application to enable the City to adopt a final decision as a local regulatory authority with regard to CenterPoint's requested rate increase.

WHEREAS, the City will require the assistance of specialized legal counsel and rate experts to review the merits of CenterPoint's application to increase rates; and

WHEREAS, the decision of the Railroad Commission of Texas will have a direct impact on the City and its citizens who are customers of CenterPoint and in order for the City's participation to be meaningful it is important that the City promptly intervene in proceedings pending at the Railroad Commission of Texas related to CenterPoint's application to increase rates.

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

Section 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

Section 2. CenterPoint's proposed effective date for its proposed increase in rates is hereby **SUSPENDED** for ninety days beyond December 21, 2017.

Section 3. The statutory suspension period may be further extended if CenterPoint does not provide timely and meaningful, and proper public notice of its request to increase rates, or if its rate-filing package is materially deficient.

Section 4. The City shall participate in a coalition of cities known as the Alliance of CenterPoint Municipalities-South Texas Division ("ACM"), and authorizes intervention in proceedings related to CenterPoint's Statement of Intent before the Railroad Commission of Texas and related proceedings in courts of law; and

Section 5. The City hereby orders CenterPoint to reimburse the City's rate case expenses as provided in the Gas Utility Regulatory Act and that CenterPoint shall do so on a monthly basis and within 30 days after submission of the City's invoices for the City's reasonable costs associated with the City's activities related to this rate review or related to proceedings involving CenterPoint before the City, the Railroad Commission of Texas, or any court of law.

Section 6. Subject to the right to terminate employment at any time, the City retains and authorizes the law firm of Herrera Law & Associates, PLLC to act as Special Counsel with regard to rate proceedings involving CenterPoint before the City, the Railroad Commission of Texas, or any court of law, and to retain such experts as may be reasonably necessary for review of CenterPoint's rate application subject to approval by the steering committee of the ACM.

Section 7. The City, in coordination with the Steering Committee, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to CenterPoint for reimbursement.

Section 8. A copy of this resolution shall be sent to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, 816 Congress Ave., Suite 950, Austin, Texas 78701, and a courtesy copy to CenterPoint's local representative.

Section 9. The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 10. This resolution shall become effective from and after its passage.

PASSED AND APPROVED this _____ day of _____, 2017.

Mayor

ATTEST:

City Secretary