

**CITY OF SEABROOK  
RESOLUTION NO. 2016-26**

**SUSPENDING THE DECEMBER 21, 2016 EFFECTIVE DATE OF THE STATEMENT  
OF INTENT OF CENTERPOINT ENERGY TO INCREASE RATES**

**A RESOLUTION BY THE CITY OF SEABROOK, TEXAS SUSPENDING THE DECEMBER 21, 2016 EFFECTIVE DATE OF THE STATEMENT OF INTENT OF CENTERPOINT ENERGY TO INCREASE RATES WITHIN THE HOUSTON AND TEXAS COAST DIVISIONS AND CONSOLIDATE THE HOUSTON AND TEXAS COAST DIVISIONS TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; AUTHORIZING PARTICIPATION WITH THE GULF COAST COALITION OF CITIES; HIRING LEGAL AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; 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 LEGAL COUNSEL.**

**WHEREAS**, on or about November 16, 2016, CenterPoint Energy Resources d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or "Company") filed with the City of Seabrook ("City") and the other affected municipalities a Statement of Intent seeking to increase gas utility rates within the incorporated areas of the Houston Division and Texas Coast Division effective December 21, 2016; and

**WHEREAS**, CenterPoint is also requesting consolidation of the Houston and Texas Coast Divisions into a single Texas Gulf Division, effective December 21, 2016;

**WHEREAS**, the City is a gas utility customer of CenterPoint and a regulatory authority with an interest in the rates and charges of CenterPoint; and

**WHEREAS**, the City is a member of the Gulf Coast Coalition of Cities ("GCCC") (such participating cities are referred to herein as "GCCC"), a coalition of similarly situated cities served by CenterPoint that have joined together to efficiently and cost effectively review and respond to gas issues affecting rates charged in CenterPoint's service area; and

**WHEREAS**, the Gas Utility Regulatory Act § 104.107 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days; and

**WHEREAS**, the City retains its rights as a city with original jurisdiction including the right to suspend the application; and

**WHEREAS**, the City's consultants and attorneys recommend that the City suspend the application for further review.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEABROOK, TEXAS:**

**SECTION 1.** That the findings and recitations set out in the preamble of this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

**SECTION 2.** That the City is authorized to protect the interests of the City and protect the interests of CenterPoint customers residing and conducting business within municipal limits.

**SECTION 3.** That the December 21, 2016 effective date of the request to increase rates submitted by CenterPoint on or about November 16, 2016, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

**SECTION 4.** That the City has previously adopted a resolution authorizing membership in the Gulf Coast Coalition of Cities and intervention in ratemaking proceedings.

**SECTION 5.** That the City, subject to the right to terminate employment at any time, hereby authorizes the hiring of Thomas Brocato of the law firm of Lloyd Gosselink Rochelle and Townsend, P.C., Karl J. Nalepa of the consulting firm of Resolved Energy Consulting, L.L.C., and Connie Cannady of the consulting firm of New Gen Strategies to review the Company's filing, negotiate with the Company, make recommendations regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of the filing.

**SECTION 6.** That as a member of GCCC, the City shall work in the review and evaluation of whether the proposed rates are appropriate, fair, just, and reasonable; and, intervene as a necessary party in the Railroad Commission of Texas' consideration of the CenterPoint rate filing as it affects the customers in the unincorporated areas of the Central Texas region.

**SECTION 7.** That the City's reasonable rate case expenses shall be reimbursed in full by TGS.

**SECTION 8.** 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.

**SECTION 9.** That a copy of this Resolution shall be sent to Thomas Stevens, Director of Regulatory Affairs, CenterPoint Energy, P. O. Box 2628, Houston, Texas 77252-2628 and to Thomas Brocato, General Counsel for the GCCC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**SECTION 10.** That this Resolution shall be and become effective from and after its adoption.

PASSED AND APPROVED this 6<sup>th</sup> day of December, 2016.

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Glenn Royal, Mayor

ATTEST:

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Robin Hicks, TRMC  
City Secretary

APPROVED AS TO FORM:

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Steve Weathered  
City Attorney