

RESOLUTION NO. 2005 115 R

RESOLUTION OF THE CITY OF VICTORIA SUSPENDING THE EFFECTIVE DATE OF CENTERPOINT ENERGY'S REQUESTED RATE CHANGES TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH OTHER CITIES WITHIN THE SOUTH TEXAS DISTRIBUTION SYSTEM TO CREATE A STEERING COMMITTEE TO HIRE AND DIRECT THE EFFORTS OF LEGAL COUNSEL AND CONSULTANTS NECESSARY FOR RATEMAKING OR LITIGATION; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; AUTHORIZING INTERVENTION IN ANY RATEMAKING PROCEEDING AT THE RAILROAD COMMISSION THAT RELATES TO THE COMPANY'S FILING; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY

WHEREAS, on or about June 30, 2005, CenterPoint Energy ("CenterPoint") filed with the City of Victoria a Statement of Intent to change gas rates in all municipalities within its consolidated South Texas Division, with an effective date of August 4, 2005; and

WHEREAS, it is reasonable for the City of Victoria to cooperate with other cities in a review of the Company's application and create a Steering Committee to hire, coordinate and direct the work of lawyers and consultants and to oversee recommendations to individual cities and to direct settlement negotiations and any necessary litigation; and

WHEREAS, the Gas Utility Regulatory Act grants the City the right to suspend CenterPoint's proposed effective date of August 4, 2005 for 90 days (*i.e.*, until November 2, 2005); and

WHEREAS, the Gas Utility Regulatory Act provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility; and

WHEREAS, the Gas Utility Regulatory Act grants local regulatory authorities the right to intervene in rate proceedings filed at the Railroad Commission.

THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VICTORIA, TEXAS:

1. That the effective date of the tariff changes submitted by CenterPoint Energy on or about August 4, 2005, be suspended to the maximum extent provided by law to permit adequate time to review the proposed changes and to establish reasonable rates.

2. That the City is authorized to cooperate with other Cities within CenterPoint's South Texas Division to create a Steering Committee to hire, coordinate and direct the work of lawyers and consultants and to oversee recommendations to individual cities and to direct settlement negotiations and any necessary litigation.

3. That the City's reasonable rate case expenses shall be reimbursed by CenterPoint.

4. That the City is authorized to intervene in any Railroad Commission proceeding that relates to CenterPoint's rate request.

5. That a copy of this suspension resolution be sent to Charles J. Harder, Executive Director of Rates and Regulatory, CenterPoint Energy Entex, P. O. Box 2628, Houston, Texas 77252-2628.

PASSED, this the 2nd day of August, 2005.

AYES: 6

NAYS: 0

ABSTENTIONS: 0


APPROVED AND ADOPTED, this the 2nd day of August, 2005.

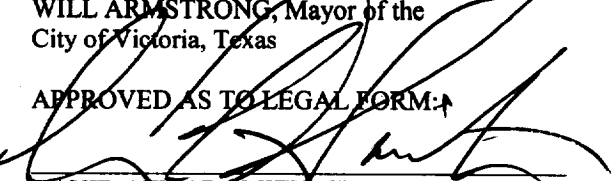



ATTEST:


SCARLET SWOBODA, City Secretary

Distribution: Legal Department
 Finance Department
 Department of Parks & Recreation


WILL ARMSTRONG, Mayor of the
City of Victoria, Texas


APPROVED AS TO LEGAL FORM: 
DAVID ATMAR SMITH, City Attorney

Copies Sent: August 3, 2005