

City of Beach City, Texas, Ordinance No. 2010 - 5

AN ORDINANCE RELATING TO THE RETAIL ELECTRIC RATES OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC WITHIN THE CITY OF BEACH CITY, TEXAS; DENYING A RATE INCREASE AND MAINTAINING IN EFFECT THE CURRENT RATES THAT SHALL CONSTITUTE THE CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC RATES TO BE OBSERVED WITHIN THE CITY OF BEACH, TEXAS UNTIL CHANGED UNDER THE UTILITIES CODE; MAKING FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

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WHEREAS, on June 30, 2010, Centerpoint Energy Houston Electric, LLC (“CenterPoint Electric”) filed a Statement of Intent and Application for Authority to Change Rates (“New Rates”) within the City of Beach City, Texas (“City”) seeking electric rate increases totaling \$94 million per year; and

WHEREAS, on July 29, 2010 the City of Beach City (City) as local regulatory authority, adopted City of Beach City, Texas Ordinance No. 2010-2 suspending the effective date of the New Rates until November 2, 2010 (Suspension Period) and maintaining the rates in effect on June 30, 2010 (Current Rates) until the earlier of the expiration of the Suspension Period or the adoption of a replacement rate ordinance; and

WHEREAS, during the Suspension period, in order to gather information through the discovery process, the City participated through the Houston Coalition of Cities (Coalition) with other cities in proceedings at the Public Utility Commission (PUC) related to or affecting CenterPoint Electric’s rates within the City; and

WHEREAS, based on the City’s investigation and analysis through the Coalition’s utility attorneys and rate experts, the City developed recommendations regarding the New

Rates; and

WHEREAS, on October 26, 2010, the City's recommendations were presented to City Council; and

WHEREAS, the rate analysis and recommendations, as presented the October 26, 2010 Council Meeting, conclude that CenterPoint Electric has not demonstrated that New Rates are just and reasonable, non-discriminatory and in compliance with all applicable law; and

WHEREAS, City Council anticipates that a denial of the New Rates will be appealed to the PUC; and

WHEREAS, denial of the New Rates would maintain the Current Rates in effect for customers within Beach City, Texas until further changed under the Utilities Code and

WHEREAS, City Council determines that the CenterPoint Electric Current Rates are the just and reasonable rates to be observed and to remain in force within the City; and

WHEREAS, the City Council finds that the public interest will be served by the adoption of an ordinance denying the New Rates, and maintaining in effect the Current Rates because they promote the adequate and efficient provision of service, are just and reasonable and nondiscriminatory and are in compliance with all applicable law;

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEACH CITY, TEXAS:

Section 1. That the facts contained in the preamble of this Ordinance are to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the Current Rates for CenterPoint Electric customers receiving service

within the City of Beach City, Texas shall remain in effect until further changed under applicable law.

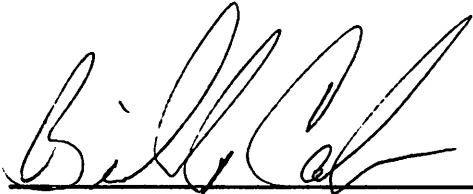
Section 3. If any provision, section, subsection, sentence, clause or phrase of this ordinance, or the application of same to any person or set of circumstances is for any reason held to be invalid, the validity of the remaining portions of this ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

Section 4. The City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

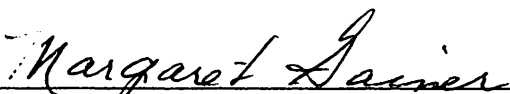
Section 5. There exists a public emergency requiring that this ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on that date and shall take effect immediately upon its passage and approval by the Mayor.

PASSED AND ADOPTED THIS 26th day of October, 2010.

APPROVED this 26th day of October, 2010.


BILLY COMBS, Mayor

ATTEST:


MARGARET GAINER, City Clerk