

City of Beach City, Texas, Ordinance No. 2022-01

AN ORDINANCE DENYING THE APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, FOR APPROVAL TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR FILED WITH BEACH CITY, TEXAS ON APRIL 5, 2022; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT.

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WHEREAS, on or about April 5, 2022, CenterPoint Energy Houston Electric, LLC (“CenterPoint”) filed an Application for Approval to Amend its Distribution Cost Recovery Factor (“DCRF”) with Beach City, Texas (“City”) pursuant to Section 36.210 of the Texas Public Utility Regulatory Act (“PURA”) to increase rates under the DCRF rider; and

WHEREAS, CenterPoint filed an application to implement a distribution cost recovery factor in 2018 for annual revenue requirement of \$82,620,101 and the Public Utility Commission approved \$42,400,049 million of the requested amount (“2018 DCRF”); and

WHEREAS, CenterPoint’s DCRF filed this year amends its 2018 DCRF amount of \$42 million to a total annual revenue requirement of \$198,422,017; and

WHEREAS, after adjusting for load growth, CenterPoint requests an annual revenue requirement of \$145,680,810; and

WHEREAS, the deadline for acting on CenterPoint’s DCRF application is June 4, 2022 and the effective date of CenterPoint’s amended DCRF rider is September 1, 2022; and

WHEREAS, the City is a member of the Houston Coalition of Cities (“Coalition”) in this DCRF proceeding, as approved by **Resolution No. 2022-01** by City Council on April 26th, 2022; and

WHEREAS, the expert utility rate consultant retained to review CenterPoint’s DCRF application on behalf of the Coalition has not yet determined that CenterPoint has established that the costs it seeks to recover are eligible for recovery through a DCRF rider pursuant to PURA; and

WHEREAS, City Council finds that it is in the best interests of the ratepayers served by CenterPoint within the City that the DCRF application be denied. **NOW THEREFORE;**

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

TEXAS:

Section 1. That the statements and findings set out in the preamble to this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the City of Beach City, Texas hereby denies CenterPoint's Application for Approval to Amend Its Distribution Cost Recovery Factor (DCRF) rider and the ensuing rate increase.

Section 3. That CenterPoint's 2022 Amendment to its Distribution Cost Recovery Factor application on file with the City is denied in total.


Section 4. That 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 unconstitutional, void or 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 5. That 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, Tex. Gov't. Code Ann., ch.551 (Vernon 2004 & Supp. 2005); and that this meeting was open to the public as required by law at all times during which this ordinance and the

subject matter thereof have been discussed, formally considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 6. That this Ordinance shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this 26th day of April, 2022.



Ryan Dagle, Mayor

ATTEST:



Evonne Donnelly, City Secretary

