



AGENDA ITEM SUMMARY FORM

MEETING DATE: March 24, 2026

PREPARED BY: Desiree Henson

AGENDA CONTENT: Discussion and possible action to approve Resolution No. 20260324-005 suspending the effective date proposed by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas, Texas Coast Division, to increase rates under the gas reliability infrastructure program for 45 days, and authorize the City's continued participation in a coalition of cities known as the "Texas Coast Utilities Coalition" ("TCUC") of Cities.

AGENDA ITEM SECTION: Consent Agenda

BUDGETED AMOUNT: N/A

FUNDS REQUESTED: N/A

FUND: N/A

EXECUTIVE SUMMARY:

ACTION TO SUSPEND THE EFFECTIVE DATE PROPOSED BY CENTERPOINT ENERGY RESOURCES CORP. d/b/a CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS, TEXAS COAST DIVISION, TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM FOR 45 DAYS, AND AUTHORIZE THE CITY'S CONTINUED PARTICIPATION IN A COALITION OF CITIES KNOWN AS THE "TEXAS COAST UTILITIES COALITION" ("TCUC") OF CITIES

TEXAS COAST UTILITIES COALITION – TEXAS COAST DIVISION

The City is a member of the Texas Coast Utilities Coalition ("TCUC") of cities. TCUC was organized by a number of municipalities served by CenterPoint Energy Resources Corp. d/b/a/ CenterPoint Energy Entex and CenterPoint Energy Texas Gas, Texas Coast Division ("CenterPoint") and has been represented by the law firm of Herrera Law & Associates, PLLC to assist in reviewing applications to change rates submitted by CenterPoint.

"GRIP" RATE APPLICATION

Under section 104.301 of the Gas Utility Regulatory Act (“GURA”), a gas utility is allowed to request increases in its rates to recover a return on investments it makes between rate cases. This section of GURA is commonly referred to as the “GRIP” statute, that is, the “Gas Reliability Infrastructure Program.”

Under a decision by the Supreme Court of Texas, the Court concluded that a filing made under the GRIP statute permitted gas utilities the opportunity to recover a return on capital expenditures made during the interim period between rate cases by applying for interim rate adjustment and that proceedings under the GRIP statute did not contemplate either adjudicative hearings or substantive review of utilities’ filings for interim rate adjustments. Instead, the Court concluded, the GRIP statute provides for a *ministerial* review of the utility’s filings to ensure compliance with the GRIP statute and the Railroad Commission’s rules, and that it is within the Railroad Commission’s authority to preclude cities from intervening and obtaining a hearing before the Railroad Commission.

CENTERPOINT’S “GRIP” APPLICATION

On or about February 17, 2026, CenterPoint filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program (“GRIP”). CenterPoint’s application if approved by the Commission will result in an increase in the monthly customer charges as shown below:

Rate Schedule	Current Customer Charge	Proposed 2026 Interim Rate Adjustment	Adjusted Charge	Increase Per Bill
R-2099-I-GRIP 2026; R-2099-U-GRIP 2026 Residential	\$22.36 per customer per month	\$2.47 per customer per month	\$24.83 per customer per month	\$2.47 per customer per month
GSS-2099-I-GRIP 2026; GSS-2099-U-GRIP 2026 General Service Small	\$35.12 per customer per month	\$4.18 per customer per month	\$39.30 per customer per month	\$4.18 per customer per month
GSLV-630-I-GRIP 2026; GSLV-630-U-GRIP 2026 General Service Large Volume	\$450.89 per customer per month	\$55.21 per customer per month	\$506.12 per customer per month	\$55.21 per customer per month

CenterPoint’s proposed increase results in the following percentage increases in a customer’s fixed customer charge with gas cost, in its Texas Coast Division:

- Residential Customer: 11.05% increase in customer charge
- Commercial Customer: 11.90% increase in customer charge
- General Service – Large Volume: 12.24% increase in customer charge

RECOMMENDATION:

Therefore, TCUC’s Special Counsel, the law firm of Herrera Law & Associates, PLLC recommends that the City adopt a resolution suspending CenterPoint’s proposed effective date for 45 days. Assuming a proposed effective date of April 18, 2026, CenterPoint’s proposed effective date is suspended until June 2, 2026.