

STAFF REPORT REGARDING CENTERPOINT ENERGY'S STATEMENT OF INTENT FILING

On October 30, 2023, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (CenterPoint or Company) filed a Statement of Intent to Increase Rates application with Houston, Texas Coast, Beaumont/East Texas, and South Texas Divisions. In the filing, the Company asserted that it is entitled to a \$37.4 million increase or a 5.8% increase over current adjusted revenues, excluding gas costs.

In November, the Cities Served by CenterPoint Gas (Cities) engaged the services of consultants to review the Company's filing. The consultants identified numerous unreasonable expenses and proposed significant reductions to the Company's request. Accordingly, Cities' attorney recommends that all Cities members adopt the Resolution denying the rate change. Once the Resolution is adopted, CenterPoint will have 30 days to appeal the decision to the Railroad Commission where the appeal will be consolidated with CenterPoint's filing for the environs and those cities that have relinquished their jurisdiction (i.e. Gas Utility Docket 15513) currently pending at the Commission.

Under the law, cities with original jurisdiction over this matter have 125 days from the initial filing to take final action on the application. Since the application was filed on October 30, 2023, all cities with original jurisdiction will need to adopt the resolution no later than March 3, 2024.

Purpose of the Resolution:

The purpose of the Resolution is to deny the rate application and consolidation proposed by CenterPoint.

Explanation of "Be It Resolved" Paragraphs:

1. This paragraph finds that the Company's application is unreasonable and should be denied.
2. This section states that the Company's current rates shall not be changed.
3. The Company will reimburse Cities for their reasonable rate case expenses. Legal counsel and consultants, approved by the Cities, will submit monthly invoices that will be forwarded to CenterPoint for reimbursement.
4. This section merely recites that the Resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.
5. This section provides CenterPoint and counsel for the cities will be notified of the City's action by sending a copy of the approved and signed resolution to counsel.