

## AGENDA



Thursday, November 20, 2008

**Telecommunications & Regulatory Affairs  
RECOMMENDATION FOR COUNCIL ACTION**

**Item No. 52**

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**Subject:** Approve a resolution granting Texas Gas Service an application to recover its gas facility relocation costs by applying a surcharge to customers in a new rate schedule.

**For More Information:** Rondella M. Hawkins, Manager, Office of Telecommunications & Regulatory Affairs, 512-974-2422

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On October 20, 2008, Texas Gas Service (TGS) filed its application with the City of Austin to recover approximately \$1.3 million in relocation costs for 51 projects (48 City of Austin, 2 Texas Department of Transportation and 1 Travis County projects). Section 104.112 of the Texas Utilities Code requires the City to grant or deny the application no later than the 35th day after filing, which is November 24, 2008.

Denial of the application must be based on the finding that:

1. the relocation was not necessary or required.
2. the costs of the relocations were excessive or not supported;
3. the utility did not pursue reimbursement from the entity requiring the relocation, if applicable.
4. the surcharge is unduly discriminatory among customers or classes of customers located in the service.
5. the period over which the relocation costs are designed to be recovered is less than one or more than three years.

If the City fails to make a decision before the deadline, the application to determine the reasonableness of the application cost request is deemed approved.

Based on the proposed filing, the residential customer's average bill will increase by approximately \$0.31 per month for one year. The commercial customer's average bill will increase by approximately \$1.50 for one year.

The total amount recovered through the surcharge will be subject to reconciliation and shall be discontinued when the total amount authorized for recovery is collected. Texas Gas Service shall file monthly reports with the Office of Telecommunications & Regulatory Affairs detailing the amount of surcharge collected from each customer class.