AGENDA

Recommendation for Council Action

Austin City Council		Item ID	15878	Agenda Number		25.
Meeting Date:	6/14/2012			**Department:**	Telecommunications and Reg Affairs	

Subject

Set a public hearing regarding CenterPoint Energy's proposal to increase customer rates. (Suggested date and time: June 28, 2012, 4:00 p.m. at City Hall, 301 W. Second Street, Austin, TX).

Amount and Source of Funding

Fiscal Note

There is no unanticipated fiscal impact.   A fiscal note is not required

Purchasing Language:	
Prior Council Action:	Suspension of CenterPoint Energy's proposed rates on April 26, 2012 granted.
For More Information:	Rondella M. Hawkins, Office of Telecommunications and Regulatory Affairs; (512) 974-2422
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

On March 29, 2012 CenterPoint Energy, South Texas Division, made a Gas Reliability Infrastructure Program (GRIP) filing with the City of Austin and in the other cities it serves.

CenterPoint's filing was made pursuant to Section 104.301 of the Texas Utilities Code that allows a gas utility to recover capital investments in gas pipeline infrastructure made during the interim period between formal rate case filings. Operation and maintenance costs are not recovered through GRIP. GRIP rates must be based on reasonable increases in invested capital.

CenterPoint Energy has approximately 246 natural gas customers in the City of Austin limits. CenterPoint has indicated the average monthly bill of a residential customer would increase by approximately $1.33 to recover this incremental investment.

On April 26, 2012, the City Council suspended the effective date of the proposed increase to a date no earlier than July 13, 2012, as provided by state law. Austin is a member of the CenterPoint Texas Municipalities (CTM) which is a coalition of cities affected by the rate increase who jointly will properly review the filing.

Changes to the rates or charges of a City franchisee are required by City Charter to be considered in a hearing prior to approval.