

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	44399	Agenda Number	18.
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Meeting Date:	5/21/2015	Department:	Telecommunications and Reg Affairs
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Subject

Approve an ordinance suspending a Gas Reliability Infrastructure Program interim customer surcharge proposed by CenterPoint Energy Resources and requesting reimbursement for expenses to review the rate adjustment.

Amount and Source of Funding

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Rondella M. Hawkins, TARA Officer, 512-974-2422
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Pursuant to the Gas Utilities Regulatory Act, the City has original jurisdiction over privately owned gas utility rates set for customers within its city limits. On March 31, 2015 CenterPoint Energy Resources filed its annual Gas Reliability Infrastructure Program (GRIP) filing in Austin and in the other South Texas Division cities that it serves proposing an annual increase in system-wide rates in order to recover \$29,222,571 in capital investments made in the 2014 calendar year, with an effective date of May 30, 2015.

Texas Utilities Code, Section 104.301 allows gas utilities, to adjust rates on an interim basis through a GRIP filing to recover capital investments in gas pipeline infrastructure made during the interim period between rate cases. A GRIP interim adjustment is based upon the utility's investment subsequent to its last rate case, the return on investment, depreciation and federal income tax factors established in the last rate case and the ad valorem and revenue-related taxes in effect at the time of the adjustment. The adjustment appears as a change to the customer charge. As proposed by CenterPoint, the fixed customer charges would increase for each customer class. CenterPoint estimates that the average monthly bill for residential customers will see a \$2.30, (6.39%), increase; small general

service customers will increase by \$4.73, (3.3%), and large volume general service customers will see an increase of \$28.16, (1.38%).

The City has the option to suspend the implementation date of the interim charge by 45 days. Staff recommends a 45-day suspension to allow City staff time to review the filing with its rate consultant and prepare a recommendation. Staff anticipates providing its recommendation to the Public Utilities Council Committee at their June meeting and to the City Council in mid-June.