

**AGENDA**



**Recommendation for Council Action**

Austin City Council	Item ID	54349	Agenda Number	28.
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Meeting Date:	1/28/2016	Department:	Legal
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**Subject**

Authorize negotiation and execution of a legal services agreement with Lloyd Gosselink Rochelle & Townsend, P.C., for legal services regarding the public review process for proposed electric rates to be implemented in Fiscal Year 2016-17, in an amount not to exceed \$225,000.

**Amount and Source of Funding**

Funding in the amount of \$225,000 is available in the Fiscal Year 2015-2016 operating budget of Austin Energy.

**Fiscal Note**

Purchasing Language:	
Prior Council Action:	
For More Information:	Andy Perny, Utility and Regulatory Affairs Division Chief, 512-974-2447
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

**Additional Backup Information**

The City has established a process for a public review of its proposed FY 2017 electric rate restructuring that is similar to a contested case before Public Utility Commission of Texas ("PUCT"). The process will be held before an impartial hearing examiner hired by the City and will allow interested customers to intervene and participate in the process. Though the process will differ from a PUCT proceeding in many ways, similarities include the availability of written discovery, submission of testimony and legal briefs, and cross-examination of parties and witnesses.

Several customer groups have indicated their intent to participate through the use of outside counsel, including Austin Energy's largest customers. Staff expects, given the desire of all parties for a thorough and transparent process, that a large volume of discovery will be conducted, similar in volume to the amount of discovery conducted in the appeal to the PUCT of Austin Energy's rates in 2012. In addition, staff expects that significant number of issues will require legal briefing. The Law Department believes that the availability of outside counsel resources will greatly assist it in responding to a large volume of discovery and in addressing legal issues relating to PUCT jurisprudence, in a more timely and responsive manner, thereby allowing staff to maintain its schedule to get a rate recommendation to Council for the 2017 budget process.