

# AGENDA



## Recommendation for Council Action

### AUSTIN CITY COUNCIL

Regular Meeting: March 22, 2018

Item Number: 059

### Item(s) to Set Public Hearing(s)

Set a public hearing regarding CenterPoint's proposal to increase customer gas rates. (Suggested date and time April 12, 2018 at 4:00 p.m. at City Hall; 301 W. Second Street, Austin, TX).

<b>Lead Department</b>	Telecommunications and Regulatory Affairs
<b>Fiscal Note</b>	This item has no fiscal impact.
<b>Prior Council Action</b>	On December 14, 2017, Council suspended the effective date of the proposed rate increase.
<b>For More Information</b>	Rondella M. Hawkins, TARA Officer, 512-974-2422

### Additional Backup Information:

Under the Gas Utilities Regulatory Act (Chapters 101 through 105 of the Texas Utilities Code) ("GURA"), the City of Austin has original jurisdiction over gas utility rates set for customers within its city limits.

The City Charter requires Council to hold a public hearing prior to taking any action that affects rates of a franchise holder. This item authorizes the City Council to set the public hearing and allow public comment. On November 16, 2017, CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas, filed a Statement of Intent to increase rates by a total of approximately \$1.2 million. CenterPoint's proposed increase in revenue of about \$1.2 million is comprised of an increase in base rates of about \$540,000 and a "Hurricane-Harvey" surcharge of about

\$665,000 CenterPoint has approximately 800 customers in southeast Austin primarily in the Goodnight Ranch area located east of IH-35, west of Thaxton Road, south of E. William Cannon Drive, and north of Highway 1327.

In accordance with its authority within GURA, on December 14, 2017, Council approved an ordinance suspending the effective date of the proposed rate increase to allow additional time to review and evaluate whether the proposed rates are appropriate, just and reasonable.

The City of Austin joined with a coalition of municipalities served by CenterPoint (Alliance of CenterPoint Municipalities-South Texas Division) that are affected by the proposed rate increase in order to jointly review and evaluate the increase and its impact. The Alliance of CenterPoint Municipalities-South Texas Division has collectively engaged specialized legal counsel and rate consultants to review the proposed rate change and recommend action by the members.