



Recommendation for Action

File #: 19-1663, **Agenda Item #:** 30.

5/23/2019

Posting Language

Set a public hearing regarding CenterPoint's proposal to increase customer gas rates. (Suggested date: June 20, 2019 at Austin City Hall, 301 W. Second Street, Austin, TX).

Lead Department

Telecommunications and Regulatory Affairs.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

On May 9, 2019, Council approved an ordinance suspending the effective date for CenterPoint's proposed rate increase by 45 days.

For More Information:

Rondella M. Hawkins, TARA Officer; (512) 974-2422.

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 28, 2019, CenterPoint Energy Resources Corp., South Texas Division ("CenterPoint") filed its Gas Reliability Infrastructure Program (GRIP) interim rate adjustment filing in Austin and in the other cities that it serves in the South Texas Division. This filing was made in compliance with the Section 104.301 of the Texas Utilities Code, which allows a gas utility to make interim rate adjustments to recover capital investments in gas pipeline infrastructure made during the interim period between rate cases.

CenterPoint's filing notified cities of its intent to increase rates by \$37,256,789, which is based on the net increase in CenterPoint's capital investment in its South Texas Division for the period of October 1, 2017 through December 31, 2018. The proposed rate adjustment would become effective on July 11, 2019, following Council's approval of a 45-day extension from the original May 27, 2019 effective date.

Based on company-provided information, the proposed rate adjustments to the monthly customer charge per customer class are as follows:

Rate Schedules	Current Customer Charge	2019 Interim GRIP Adjustment/% Change	Adjusted Customer Charge
Residential	\$19.00 per customer per month	\$2.04 per customer per month (10.7%)	\$21.04 per customer per month
General Service Small	\$25.00 per customer per month	\$4.16 per customer per month (16.6%)	\$29.16 per customer per month

General Service Large Volume	\$99.50 per customer per month	\$27.20 per customer per month (27.3%)	\$126.70 per customer per month
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CenterPoint has approximately 1,900 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.

Article XI of the City Charter requires that the City Council conduct a public hearing before taking action on the proposed rates. Staff will bring its recommended action on the GRIP rate adjustment to City Council prior to the public hearing.