



Recommendation for Action

File #: 20-1119, **Agenda Item #:** 27.

1/23/2020

Posting Language

Authorize negotiation and execution of a legal services contract with the law firm of Lloyd Gosselink Rochelle and Townsend, P.C. to advise and represent the City during its participation in the ratemaking proceeding filed by Texas Gas Service, in an amount not to exceed \$150,000. Related to Item #53.

Fiscal Note

Funding is available in the Fiscal Year 2019-2020 Telecommunications and Regulatory Affairs operating budget.

For More Information:

Clark Cornwell, Assistant City Attorney, 512-974-2268.

Additional Backup Information:

Texas Gas Service ("TGS") filed a statement of intent with the City for an increase in customer gas rates for its customers in its Central Texas Region that includes Austin and other Austin-area municipalities and unincorporated areas. Under the Gas Utility Regulatory Act (GURA), the City Council is the regulatory authority with exclusive original jurisdiction over the rates TGS charges within the City. GURA and the City Charter require the City Council to consider the rate increase and conduct a hearing before exercising its jurisdiction to regulate those rates. GURA, by §103.022 of the Texas Utilities Code, requires the gas utility to reimburse the City for costs to engage rate case consultants and legal counsel necessary to conduct the rate case.

The City requires assistance from specialized legal counsel and rate analysts to include: conducting investigations, presenting evidence, assisting with litigation, conducting rate case discovery, rate analysis counsel, and possible contested rate case proceedings at the Texas Railroad Commission for its participation as a member of the Central Texas Region coalition of municipalities. Lloyd Gosselink has a high level of expertise in gas rate cases, particularly advising and representing municipalities and municipal coalitions conducting and participating in ratemaking proceedings.