



## Recommendation for Action

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**File #:** 21-1648, **Agenda Item #:** 32.

4/22/2021

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### **Posting Language**

Approve an ordinance suspending a Gas Reliability Infrastructure Program interim customer surcharge proposed by CenterPoint Energy Resources, Corp.

### **Lead Department**

Telecommunications and Regulatory Affairs.

### **Fiscal Note**

This item has no fiscal impact.

### **For More Information:**

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

### **Additional Backup Information:**

On March 4, 2021, CenterPoint Energy Resources Corp. made an Interim Rate Adjustment of Gas Reliability Infrastructure Program ("GRIP") filing in Austin and in the other cities it serves in its South Texas Division and with the Railroad Commission of Texas for customers located in the environs. This filing was made under Texas Utilities Code, Section 104.301 which allows a gas utility on an annual basis to recover capital investments in gas pipeline infrastructure and related expenses made during the interim period between formal rate case filings. GRIP rates must be based on reasonable increases in invested capital costs. Operation and maintenance costs cannot be recovered through GRIP.

The Company is seeking recovery of \$44,723,636 in invested capital for investments in the South Texas Division for the calendar year of 2020. The current filing will increase rates to residential customers by \$2.33 per month, excluding taxes. This will increase the current fixed residential customer charge from \$22.59 to \$24.92 per month. The filing will increase rates to commercial customers by \$4.78 per month, excluding taxes. The fixed monthly charge for commercial customers will increase from \$32.27 to \$37.08. The increase is currently scheduled to go into effect for meter reads beginning on May 3, 2021.

The City has original jurisdiction over natural gas utilities serving Austin residents. As the local regulatory authority, the City Council has authority to suspend implementation of the proposed rate increase for up to 45 days to allow more time for staff to review the filing to ensure it complies with the requirements of the GRIP statute, but it's worth noting that cities may not challenge the request.

Staff recommends Council approval of this ordinance that suspends the effective date of CenterPoint Energy Resources Corp. proposed new rates from May 3, 2021 for 45 days.

### **Strategic Outcome(s):**

Government That Works For All.