

**AGENDA**



**Recommendation for Council Action**

Austin City Council	<b>Item ID</b>	12896	<b>Agenda Number</b>	10.
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<b>Meeting Date:</b>	2/9/2012	<b>Department:</b>	Legal
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*Subject*

Authorize negotiation and execution of an amendment to a legal services agreement with the law firm of Lloyd Gosselink Rochelle & Townsend, P.C., for legal services regarding the implementation of revised electric rates and any related proceedings before the Public Utility Commission of Texas, in an amount not to exceed \$1,200,000, for a total contract amount not to exceed \$1,450,000.

*Amount and Source of Funding*

*Fiscal Note*

<b>Purchasing Language:</b>	
<b>Prior Council Action:</b>	
<b>For More Information:</b>	Contact Andy Perny at 512-322-6277
<b>Boards and Commission Action:</b>	
<b>MBE / WBE:</b>	
<b>Related Items:</b>	

*Additional Backup Information*

The City retained the Lloyd Gosselink law firm in August 2009 to assist Austin Energy throughout the rate review process currently before the City Council. The firm has advised the City on numerous areas including practice and precedent at the Public Utility Commission (PUC), cost allocation, rate design, revenue requirement, fuel, low-income issues, and policy matters. Because of the 17-year gap since the last base rate increase, significant effort has been made to research and analyze Austin Energy's prior rate cases in the 1980s and 1990s. The firm has also spent a considerable amount of time working with consulting experts and the PUC and the staff of the Office of Public Utility Counsel.

The current increase in outside counsel fees is requested to pay for the firm's continued legal assistance in the rate review process, which is evolving, and to take initial steps to prepare the city for a potential challenge of the rate increase at the PUCT.