

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	21293	Agenda Number	24.
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Meeting Date:	1/17/2013	Department:	Legal
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## Subject

Authorize negotiation and execution of an amendment to a legal services contract with Lloyd Gosselink Rochelle & Townsend, P.C., for services related to PUCT Docket No. 40627, Petition by Homeowners United for Rate Fairness to Review City of Austin Rate Ordinance No. 20120607-055, to increase the contract amount by \$1.4 million, for a revised total contract amount not to exceed \$2.85 million.

## Amount and Source of Funding

## Fiscal Note

Purchasing Language:

Prior Council Action:

For More Information: Contact Andy Perny at 512-322-6277.

Boards and  
Commission Action:

MBE / WBE:

Related Items:

## Additional Backup Information

The City initially retained the Lloyd Gosselink law firm in August 2009 to assist Austin Energy in preliminary preparations for a comprehensive rate overhaul. In February 2012, the Council authorized an increase in this contract from \$250,000 to \$1,250,000 to enable Lloyd Gosselink to provide substantial legal services to the City in conducting a public process before both the Electric Utility Commission and the City Council, and in preparing the final outcome of this process for a potential appeal to the Public Utility Commission of Texas.

The public process resulted in final Council action on June 7, 2012. Subsequently, outside-the-city ratepayers perfected an appeal to the PUCT, and the City filed its rate package with the PUCT on November 1, 2012. In addition to the outside-ratepayers group HURF, PUCT staff, and the Office of Public Utility Counsel, six other entities have intervened as parties to the proceeding. Extensive discovery has occurred and will be ongoing for some time. A procedural schedule has been adopted by the PUCT that contemplates an end-date for final action on June 6, 2013. Between now and that date, work on the proceeding by the Law Department and outside counsel will be continuous and extensive.

The initial budget for this contract was intended to cover preparation and handling of the rate revisions up to the beginning of any potential PUCT process. The budget was determined prior to the implementation by the Council of the multi-work session format for the public process, and several consulting experts have had to be added as well, including the consumer advocate. Additionally, the PUCT proceeding has been lengthened by two-months in order to include fuel related issues, which will result in additional billing expenses. Existing funding has been able to cover legal and consulting costs through the initial public processes, preparation of the rate filing package and supporting testimony, and the first three months of the PUCT contested case proceeding.

The contract increase now being sought is to (1) cover expenses through the remainder of the PUCT proceeding, and (2) fund services that may be required beyond the forecasted June 6 decision date with respect to any appeal of the PUCT's decision to a state district court.