

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	33742	Agenda Number	140.
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Meeting Date:	6/26/2014	Department:	Telecommunications and Reg Affairs
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## Subject

Conduct a public hearing and consider an ordinance regarding CenterPoint Energy's proposal to increase customer gas rates.

## Amount and Source of Funding

## Fiscal Note

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	March 20, 2014 -- Suspension of CenterPoint Energy's proposed rates granted. June 12, 2014 -- Set a public hearing for May 9, 2014
For More Information:	Rondella M. Hawkins, TARA Officer, (512) 974-2422
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

## Additional Backup Information

On March 31, 2014, CenterPoint Energy Resources Corp. ("CenterPoint"), made a Gas Reliability Infrastructure Program (GRIP) filing with the City of Austin that would allow CenterPoint to recover the incremental costs of the new investment it has made within its South Texas Division. The same request was filed by CenterPoint with the other municipalities it serves to increase its revenues by \$1,819,885.

The primary reason for the increase in CenterPoint's GRIP revenue requirement relates to the increase of \$10,499,728 in net plant investments occurring during the period January 1, 2013 through December 31, 2013.

Section 104.301 of the Texas Utilities Code allows a gas utility to recover its incremental capital investment in the system through an interim customer surcharge in between formal rate case filings.

CenterPoint Energy has approximately 440 natural gas residential and 14 commercial customers in the City of Austin. CenterPoint has indicated the average monthly bill of a residential customer would increase by approximately \$1.00 or

by 4.57%, and a commercial customer would increase by \$2.03 or 4.63% to recover this incremental investment.

On March 20, 2014, the City Council suspended the effective date of the proposed increase to a date no later than July 15, 2014.

Since the filing complies with statutory requirements, staff recommends that Council approve the ordinance for the interim rate adjustment.