

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	45374	Agenda Number	50.
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Meeting Date:	6/4/2015	Department:	Telecommunications and Reg Affairs
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## Subject

Set a public hearing regarding CenterPoint Energy Resources' proposal to increase customer rates. (Suggested date and time: June 18, 2015, 4:00 p.m., Austin City Hall, 301 W. Second Street, Austin, TX)

## Amount and Source of Funding

## Fiscal Note

Purchasing Language:	
Prior Council Action:	Suspension of GRIP filing granted on May 7, 2015
For More Information:	Rondella M. Hawkins, TARA Officers, 512-974-2422
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

## Additional Backup Information

Pursuant to the Gas Utilities Regulatory Act, the City has original jurisdiction over privately owned gas utility rates set for customers within its city limits. On March 31, 2015 CenterPoint Energy Resources filed its annual Gas Reliability Infrastructure Program (GRIP) filing in Austin and in the other South Texas Division cities that it serves for an annual increase in system-wide rates to recover \$29,222,571 in capital investments made in the 2014 calendar year, with an effective date of May 30, 2015.

This filing was made in compliance with the Texas Utilities Code, Section 104.301 that allows a gas utility to adjust rates on an interim basis to recover capital investments in gas pipeline infrastructure made during the interim period between rate cases. A GRIP interim adjustment is based upon the utility's investment subsequent to its last rate case, the return on investment, depreciation and federal income tax factors established in the last rate case and the ad valorem and revenue-related taxes in effect at the time of the adjustment. The adjustment appears as a change to the customer charge. As proposed by CenterPoint, the fixed customer charges would increase for each customer class. CenterPoint estimates that the average monthly bill for residential customers will see a \$2.30 (6.39%) increase; small general service customers will increase by \$4.73 (3.3%) and large volume general service customers will see an increase

of \$28.16 (1.38%).

On May 7, 2015, the City Council adopted an ordinance suspending the effective date of the proposed increase to no later than July 14, 2015 as provided by state law.

The City Charter requires that City Council must conduct a public hearing prior to approving a franchise's rate.