

**AGENDA**



**Recommendation for Council Action**

Austin City Council	Item ID	58414	Agenda Number	8.
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Meeting Date:	5/12/2016	Department:	Legal
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**Subject**

Authorize execution of an amendment to a legal services agreement with Lloyd Gosselink Rochelle & Townsend, P.C., for services regarding the public review process for proposed electric rates to be implemented in Fiscal Year 2016-17, in an amount not to exceed \$240,000, for a total amended amount not to exceed \$465,000.

**Amount and Source of Funding**

Funding in the amount of \$240,000 is available in the Fiscal Year 2015-2016 operating budget of Austin Energy.

**Fiscal Note**

Purchasing Language:	
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Prior Council Action:	Original legal services contract was approved on January 28, 2016.
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For More Information:	Andy Perny, 512-974-2447
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Council Committee, Boards and Commission Action:	
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MBE / WBE:	
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Related Items:	
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**Additional Backup Information**

City staff is currently engaged in a process for a public review of Austin Energy's proposed electric rate restructuring for the next fiscal year. This process was authorized by Ordinance No. 20120607-055. The proceeding is designed to resemble a contested case before Public Utility Commission of Texas ("PUCT") and is overseen by an independent hearings examiner.

Twenty-three interest groups and individuals have intervened to participate. Though the process differs from a PUCT proceeding in many ways, it is intended to provide a similar legal environment and fact-finding framework, and includes the availability of legal processes such as written discovery, submission of testimony and legal briefs, and cross-examination of witnesses.

Public response to the invitation to participate in this process, and the volume of discovery requests and other activity, has exceeded expectations. Since the process began, staff has responded to over 1,068 requests for information and filed 100 sets of responsive documents. The volume of initial discovery alone has come close to

exhausting the funding previously budgeted for supplemental outside legal services. Remaining work includes analyzing the intervenors' direct and cross-rebuttal testimony and reports; drafting prehearing and hearing documents; working with witnesses; drafting, editing and filing rebuttal testimony; conducting further discovery; preparing for and conducting the actual hearing; and legal briefing. All of this work will occur within the next six to eight weeks.

Given the number of parties and legal representatives that have become involved in the matter, together with the volume of discovery requests this process has entailed, the requested funding is necessary to provide sufficient resources to allow staff to complete the hearing and rate recommendation process on the current schedule. It will also provide additional support for the Council's budget deliberation process in August and September.