

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	58664	Agenda Number	52.
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Meeting Date:	6/9/2016	Department:	Telecommunications and Reg Affairs
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Subject

Set a public hearing regarding CenterPoint's proposal to increase customer gas rates. (Suggested date and time June 23, 2016 at 4:00 p.m. at City Hall, 301 W. Second Street, Austin, TX).

Amount and Source of Funding

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	Implementation of CenterPoint's proposed rate increase suspended by 45 days on May 19, 2016.
For More Information:	Rondella M. Hawkins, TARA Officer, (512) 974-2422
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

On March 31, 2016 CenterPoint Energy Resources filed its annual Gas Reliability Infrastructure Program (GRIP) filing in Austin and in the other South Texas Division cities for an annual increase in system-wide rates to recover \$19,894,741 in capital investments made in the 2015 calendar year with an effective date of May 30, 2016. CenterPoint serves approximately 800 customers in the Austin area.

Section 104.301 of the Texas Utilities Code 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.

On May 19, 2016, the City Council suspended the proposed effective date of the rate adjustment up to 45 days (on or before July 15, 2016) as allowed by state law to allow staff and an outside rate consultant additional time to properly review the data and calculations that provide the basis for the rate increase application. The review is being done for a coalition of Austin and other cities, known as the "Alliance of CenterPoint Municipalities".

The adjustment appears as a change to the monthly fixed 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 \$1.14, (5.68%); small general service customers will increase by \$2.31, (7.12%), and large volume general service customers will see an increase of \$13.50, (7.73%).

Changes to the rates or charges of a City franchisee are required by City Charter to be considered by the City Council in a public hearing prior to approval.