



Recommendation for Action

File #: 19-1662, Agenda Item #: 16.

5/9/2019

Posting Language

Approve an ordinance suspending a Gas Reliability Infrastructure Program interim rate adjustment proposed by CenterPoint Energy Resources.

Lead Department

Telecommunications and Regulatory Affairs.

Fiscal Note

This item has no fiscal impact.

For More Information:

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Additional Backup Information:

On March 28, 2019, CenterPoint Energy Resources Corp., South Texas Division (CenterPoint) made a Gas Reliability Infrastructure Program (GRIP) filing for an interim rate adjustment in Austin and the other cities that it serves in the South Texas Division. CenterPoint's filing was made in compliance with Texas Utilities Code Section 104.301, which allows a gas utility to make interim rate adjustments on an annual basis to recover capital investments in gas pipeline infrastructure and related expenses made during the interim period between formal rate case filings.

The filing notified cities of CenterPoint's intent to increase rates by \$37,256,789, which is based on the net increase in CenterPoint's capital investment in the South Texas Division between October 1, 2017 and December 31, 2018. The proposed increase would become effective on May 27, 2019, unless the City suspends that date.

Based on company-provided information, the proposed rate adjustments to the monthly customer charge per customer class are as follows:

Rate Schedules	Current Customer Charge	2017 Interim GRIP Adjustment/% Change	Adjusted Customer Charge
Residential	\$19.00 per customer per month	\$2.04 per customer per month (10.7%)	\$21.04 per customer per month
General Service Small	\$25.00 per customer per month	\$4.16 per customer per month (16.6%)	\$29.16 per customer per month
General Service Large Volume	\$99.50 per customer per month	\$27.20 per customer per month (27.3%)	\$126.70 per customer per month

CenterPoint has approximately 1,900 customers in southeast Austin, primarily in the Goodnight Ranch area located east of IH-35, west of Thaxton Road, south of E. William Cannon Drive, and north of Highway 1327.

Pursuant to the Gas Utilities Regulatory Act, the City has original jurisdiction over natural gas utilities serving Austin residents. As the local regulatory authority, the City Council has authority to suspend the implementation date of the interim rate adjustment by 45 days. CenterPoint proposed an effective date of May 27, 2019. Staff recommends a 45-day suspension until July 11, 2019, to allow additional time for staff to review CenterPoint's filing to ensure it complies with statute.

Staff will present its recommended action on the proposed interim rate adjustment to Council for consideration during a public hearing as required by Article XI of the City Charter before the 45-day suspension ends.