



Recommendation for Action

File #: 23-2041, **Agenda Item #:** 6.

6/8/2023

Posting Language

Approve an ordinance suspending a rate increase proposed by SiEnergy, LP for natural gas services.

Lead Department

Financial Services Department.

Fiscal Note

This item has no fiscal impact.

For More Information:

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Additional Backup Information:

On May 5, 2023, SiEnergy, LP filed a Statement of Intent seeking to increase the gas utility rates within the areas it serves in North, Central, and South Texas. The affected municipalities include the cities of Austin, Celina, Conroe, Fate, Forney, Fort Worth, Fulshear, Grand Prairie, Houston, Manor, Mansfield, Missouri City, Princeton, Sugar Land and Waxahachie, Texas. In the filing, the Company is seeking a system-wide revenue increase of \$9.69 million which results in \$2.67 million revenue increase in the incorporated areas or a 47.3% increase over adjusted revenues, excluding gas costs. SiEnergy has proposed an effective date of June 9, 2023.

There are approximately 297 residential customers in the City of Austin that would be impacted by the proposed rate increase:

Residential	Existing Rate - Monthly	Proposed Rate - Monthly
Customer Charge	\$17.00	\$25.00
Volumetric Charge per Ccf	\$.04739	\$0.6758

The Texas Utilities Code § 103.001 (the Gas Utility Regulatory Act, or GURA) grants a city exclusive original jurisdiction over a gas utility's rates charged to customers within the city limits. GURA permits cities to suspend a proposed change in rates for 90 days.

City staff recommends that Council approve an ordinance that suspends SiEnergy's proposed rate increase effective date of June 9, 2023 by the maximum statutory suspension period of 90 days to allow the City to evaluate the filing, determine whether the filing complies with law and if lawful, to determine what further strategy to pursue, including denial, negotiated settlement, or approval. The City will participate with the other affected municipalities in a coalition jointly engaging rate experts and consultants in the rate review and challenge if necessary.