



Recommendation for Action

File #: 23-3461, **Agenda Item #:** 20.

11/30/2023

Posting Language

Approve an ordinance denying CenterPoint Energy Resources Corporation's request to change its natural gas distribution rate schedules.

Financial Services Department.

Fiscal Note

This item has no fiscal impact.

For More Information:

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Additional Backup Information:

On October 30, 2023, CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas filed a Statement of Intent with the City to change its rate schedules within the City of Austin and other municipalities it serves in Texas, specifically to increase its system-wide, annual revenue requirement by approximately \$37,400,000, and consolidate all its divisions into a single division and set uniform rates across its system, with an effective date of December 4, 2023. Simultaneously with this city-level filing, CenterPoint also filed with the Railroad Commission of Texas for the unincorporated areas.

Under Chapter 103 of the Texas Utilities Code, the Austin City Council is the regulatory authority with exclusive original jurisdiction over CenterPoint's rates within the City of Austin. Currently, CenterPoint has approximately 2,300 residential customers in the City of Austin.

In order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating CenterPoint's rate request and its changes in tariffs, the City is coordinating its efforts in a coalition with other municipalities with jurisdiction over CenterPoint's rates known as the Alliance of CenterPoint Municipalities.

In its filing, CenterPoint failed in its burden of proof to establish that its requested increase in revenue or the changes set forth in its tariffs result in just and reasonable rates and therefore staff recommends denial. If CenterPoint appeals the City's denial to the Railroad Commission of Texas, the City anticipates intervening as a member of the municipal coalition in the rate proceedings before the Railroad Commission of Texas and, if necessary, related court proceedings.