
**BUSINESS FOR THE CITY COUNCIL
OF THE
CITY OF ANGLETON**

SUBJECT:

**DISCUSSION AND POSSIBLE ACTION ON RATE INCREASE REQUEST
FROM CENTERPOINT ENERGY AND OR ADOPT REOLUTION
APPROVING, DENYING, OR SUSPENDING THE RATE INCREASE**

REQUESTED BY: Center Point Energy

SUBMITTED BY: Greg Smith

DATE SUBMITTED: 3/17/08 FOR THE AGENDA OF: 3/25/08

Expenditure Required: None

Attachments: Several from Center Point Energy and Coalition to look into the rate increase

SUMMARY STATEMENT:

Center Point is requesting a base rate increase. The city has the choice of approving, deneying the rate increase or suspending the rate up to 90 days. There is another piece of the puzzle here that I think needs to be taken in consideration. The franchise agreement is about to expire in the next 60-90 days. They want to re-negotiate that agreement; the problem is that in the negotiations they want us to allow all rate increases in the future go to the PUC and not to the City Council. That will cause the city to appeal the rate increase to the PUC instead of Center Point having to handle the appeal. The advantage is they will increase our franchise tax from 2% up to 5%, or \$32,000.00 up to \$48,000.00 a year. We can negotiate that point if we want to.

You have the supporting documentation to review.

Recommendation: To suspend the rate increase up to 90 days, and look at joining the coalition.

