



AGENDA REQUEST FORM-CITY COUNCIL

**SUBJECT: (Fill in Description)**

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| <input type="checkbox"/> Consent item                              | <input type="checkbox"/> Discussion item |
| <input checked="" type="checkbox"/> Discussion and possible action | <input type="checkbox"/> Public Hearing  |

Discussion and possible action on approval of Resolution No. 2009-R-7B, a resolution to suspend effective date and provide authority to join with other cities in acting on rate request with regard to the filing by Centerpoint Gas.

**Requested by:** Greg Smith

**Budgeted amount:** Not applicable.      **Funds requested:** Not applicable.

**Attachments:** (Attachment description)

Resolution No. 2009-R-7B

**Summary Statement:**

CenterPoint Energy Entex filed a request with the City on May 1, 2009 to increase rates by approximately \$2 million for the Texas Coast Division service territory. This would amount to a 68 cent increase per month for a typical residential customer. The City is a regulatory authority charged with reviewing the rate increase requests for reasonableness, necessity and prudence. The City has been participating with a coalition of cities known as the Texas Coast Utilities Coalition (“TCUC”). Due to their specialized expertise, the coalition cities have hired Diversified Utilities Consultants, Inc. and Herrera & Boyle, PLLC to act as rate experts and special counsel, respectively. The current effective date for changing the rate schedules is August 1, 2009. The resolution suspends the effective date for ninety days or until Oct. 30, 2009. Under Texas law, a local regulatory authority may suspend the effective date for ninety days. The rate experts have indicated that their rate review will not be completed until after August 1. Cities, by statute, are entitled to recover their reasonable rate expenses from the utility. Legal counsel and consultants approved by the coalition will submit monthly invoices to the Chair of TCUC. The invoices will be forwarded on to CenterPoint gas for reimbursement. Unreasonable expenses will not be reimbursed.

**Recommendation:**

Staff recommends approval.