



Legislation Details (With Text)

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Title: Consideration of and action on a resolution denying CenterPoint Energy Houston Electric, LLC’s application for approval of a distribution cost recovery factor to increase distribution rates within the City.

Sponsors: City Manager’s Office

Indexes:

Code sections:

Attachments: 1. Denial Resolution for CenterPoint Rate Case 2019, 2. Model Staff Report Re Denial Resolution-2019 CenterPoint Rate Case

Date	Ver.	Action By	Action	Result
7/16/2019	1	City Council		

Consideration of and action on a resolution denying CenterPoint Energy Houston Electric, LLC’s application for approval of a distribution cost recovery factor to increase distribution rates within the City.

Summary:

The City of Deer Park is a member of the Gulf Coast Coalition of Cities (GCCC), a consortium of 38 member municipalities which monitors electricity and gas utility regulation filings with the Texas Public Utility Commission, Texas Legislature, and court filings. On April 5, 2019, CenterPoint Energy Houston Electric, LLC (CenterPoint) filed an application with cities retaining original jurisdiction seeking to increase system-wide transmission and distribution rates by \$161 million per year. In the filing, the Company asks the City to approve an increase in \$154 million in retail transmission and distribution rates (an increase of about 7.4%) and \$6.8 million in wholesale transmission rates (an increase of about 1.8%). According to CenterPoint, the impact on an average residential customer would be an increase of about \$2.38 per month.

In a prior City action, CenterPoint’s rate request was suspended from taking effect for 90 days, the fullest extent permissible under the law. This time period has permitted the City, through its participation with the Gulf Coast Coalition of Cities (“GCCC”), to determine that the proposed rate increase is unreasonable. Consistent with the recommendations of experts engaged by GCCC, CenterPoint’s request for a rate increase should be denied.

Accordingly, the purpose of the Resolution is to deny the rate change application proposed by

CenterPoint.

Explanation of “Be It Resolved” Sections :

1. This paragraph finds that the Company’s application is unreasonable and should be denied.
2. This section requires CenterPoint to maintain its existing rates within the City.
3. This section states that GCCC’s reasonable rate case expenses shall be reimbursed by CenterPoint within 30 days of presentation of an invoice to CenterPoint.
4. This section recites that the Resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.
5. This section provides that the City will notify counsel for CenterPoint and counsel for GCCC of the City’s action by sending a copy of the approved and signed Resolution to each counsel.

Fiscal/Budgetary Impact:

To Be Determined.

Approval is Recommended.