



## *Agenda Briefing*

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**Date of Meeting:** July 16, 2019

**Submitting Department:** City Manager

**Date Submitted:** July 2, 2019

**Prepared By:** Gayle Cook, City Manager

**Presenter:** Gayle Cook, City Manager

**Will there be a guest/visitor presenter who is not an employee?**      Yes            No

**Guest/Visitor Presenter's first and last name:**

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**Subject:**

Resolution 2019-17, Finding Centerpoint Energy Houston Electric, LLC Requested Increase to Electric Transmission and Distribution Rates and Charges Should Be Denied

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**Type of Item:**

**Ordinance**

**Public Hearing**

× **Resolution**

**Discussion & Direction**

**Contract/Agreement**

**Other :**

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**Executive Summary:**

On April 5, 2019, CenterPoint Energy Houston Electric, LLC (“CenterPoint” or “Company”) 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.

All requests must be submitted to the City Secretary's Office no later than 12:00 p.m. on the Monday, one week prior to the regular Tuesday Council Meeting. All required attachments are to be submitted with the request. Incomplete items cannot be placed on the agenda.

**Background/Issue** (What prompted this need?):

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.

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**Budget Analysis/Funding Comments:**

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**Expenditure Required:** \$ **N/A**

**Budgeted?**      **Yes**      **No**

**If yes, Budgeted Amount:** \$

**Source of Funds/Funding Account:**

**If not budgeted and approved, the following will be included in the next Budget Amendment:**

**Addition to Revenue Account:** \$

**Addition to Expenditure Account:** \$

**1295 Form Required?**      **Yes**      **No**

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**Name of Applicant (if applicable):**

**Legal Description/Location (if applicable):**

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**Supporting Materials Attached:**

- |                        |    |    |
|------------------------|----|----|
| 1. Resolution 2019- 17 | 4. | 7. |
| 2.                     | 5. | 8. |
| 3.                     | 6. | 9. |

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**Recommended Placement on Agenda:** CONSENT AGENDA

**Recommended Action:**

Approve Resolution 2019-17 Finding Centerpoint Energy Houston Electric, LLC Requested Increase to Electric Transmission and Distribution Rates and Charges Should Be Denied

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**REVIEWED AND APPROVED BY:  
(as appropriate)**

DocuSigned by:  
*Gayle Cook*  
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7/2/2019

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Finance Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

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\_\_\_\_\_  
Deputy City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date

**Please add any other documents for your item here, instead of placing them in the AGENDAS folder in the P drive. Just click on the paperclip icon to the right and upload any documents you have for your item.**

**For example: Ordinance, Ordinance Attachment, Monthly Report, Spreadsheet, etc.)**

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