



## AGENDA ITEM SUMMARY FORM

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**MEETING DATE:** 11/14/23

**PREPARED BY:** Michelle Perez

**AGENDA CONTENT:** Discussion and possible action approving Resolution No. 20231114-000 a request submitted to the City through a Statement of Intent on or about October 30, 2023 by CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas to increase revenue and change rates within the City filed should be denied; authorizing continued participation in the Texas Coast Utilities Coalition of Cities; authorizing representation of the City by special counsel to intervene in proceedings related to CenterPoint's Statement of Intent; and requiring reimbursement of municipal rate case expenses.

**AGENDA ITEM SECTION:** Consent Agenda

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**BUDGETED AMOUNT:** N/A

**FUNDS REQUESTED:** N/A

**FUND:** N/A

### **EXECUTIVE SUMMARY:**

The city received a copy of CenterPoint's (CNP) statement of intent noting its proposal to increase its revenue and consolidate all its divisions into a single "division" and set uniform rates across its system.

A key element of CNP's filing is its proposal to consolidate its four rate divisions into a single rate area. As you'll note from CNP's application, the consolidation produces the oddity that even with an increase in revenue, some areas, and in particular ratepayers in CNP's "Beaumont/East Texas Division" and its "South Texas Division," generally stated, would see a decrease in rates. Note that based on recent decisions by the RRC involving other utilities, we fully expect the RRC to approve CNP's proposed consolidation of its divisions.

Additionally, even though CNP's *overall* proposed increase is about \$37.4 million, the Residential class under CNP's proposal, would see an increase in excess of \$58.4 million. This means that CNP's proposed allocation of costs to the customer classes needs a close review.

In terms of action by council, as you may recall, the earliest effective date a utility may propose for an increase in rates is 35 days after the date of its filing. Here, CNP's proposed effective date is December 4, 2023. **So, the cities must take action by no later than December 4, 2023, to either "suspend" CNP's proposed effective date, or to deny CNP's proposed change in rates.** Of course, a city could elect to take no action, but taking no action means that CNP's proposed rates are deemed approved by law as of Dec. 4, 2023.

**RECOMMENDATION:** To approve Resolution No. 20231114-000 the Denial of CNP's proposed changes in rates.