



REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested: <u>April 8, 2024</u>	Appropriation	
Requested By: <u>Matt Daeumer, Asst. City Mgr.</u>	Source of Funds:	<u>N/A</u>
Department: <u>Administration/CMO</u>	Account Number:	<u>N/A</u>
<input type="radio"/> Report <input type="radio"/> Resolution <input checked="" type="radio"/> Ordinance	Amount Budgeted:	<u>N/A</u>
	Amount Requested:	<u>N/A</u>
	Budgeted Item:	<input checked="" type="radio"/> Yes <input type="radio"/> No

Exhibits: Coalition Invitation, Notice from CenterPoint, Resolution 2024-09

SUMMARY & RECOMMENDATION

On March 6, 2024, CenterPoint filed a Statement of Intent and Application for Authority to Change Rates (Application) with cities in its service territory. CenterPoint is requesting a \$60 million annual base rate increase of which approximately \$17 million will be collected from retail customers, and \$43 million from wholesale transmission customers. If CenterPoint's proposed rates are adopted, the average residential customer using 1,000 kWh per month would experience an approximate \$1.25 per month increase to the CenterPoint portion of the bill. Assuming an existing retail rate of 17.67 cents per kWh, the total monthly bill would increase by approximately 0.71% to 17.79 cents per kWh. This estimate includes the retirement of the TC5 securitization charge October, 2024.

CenterPoint filed a parallel case at the PUC, for customers receiving service in unincorporated or environs areas and in cities that ceded jurisdiction to the Commission. Houston Coalition experts expect CenterPoint to ultimately appeal the final rate decisions of the Coalition member cities. Rather than hear this appeal separately, and those of other municipalities' determinations, it is customary for the Commission to consolidate all the appeals into the ongoing case at the Commission. For this reason, the coalition experts intervened in the Commission proceeding on behalf of the Houston Coalition of Cities. More information related to this proceeding is available on the PUC Filing Interchange at <http://interchange.puc.texas.gov/> (control number 56211).

Who are the Coalition experts?

The City organized a team of experts to review the rate request and assist in preparing a final recommendation. The experts include Alton Hall, of Adams and Reese, to represent the collective interest of the coalition in this matter, and technical rate experts to assist with the review of CenterPoint's application.

What are the next steps?

A conference call is was held Wednesday, March 13, 2024 at 10:30am. The City Manager and Assistant City Manager participated in this call. We were provided with an overview of the rate case and established points of contact for further communication.

The Houston Coalition experts also recommend that Coalition cities suspend the proposed effective date of the new rates for 90 days — to July 9, 2024. According to the Texas Utilities Code, CenterPoint’s proposed new rates will take effect 35 days after filing unless your city, as municipal regulator, adopts an ordinance suspending the proposed effective date. Therefore, if CenterPoint filed its Application March 6, 2024, the deadline for cities to take action to suspend the rates is April 10, 2024. A sample resolution is attached. The cities could also deny CenterPoint’s request before the April 10, 2024 deadline. CenterPoint can appeal the cities’ decision to deny to the PUC and consolidate the appeal with the CenterPoint application pending at the PUC.

STRATEGIC PLAN STRATEGY AND GOAL

1.00 Governance - The City of La Porte is governed in a transparent, efficient, accountable and responsive manner on behalf of its citizens that actively promotes citizen involvement.

ACTION REQUIRED BY CITY COUNCIL

Adopt Resolution 2024-09 authorizing the City of La Porte to join with other municipalities as part of the Houston Coalition of Cities, in connection with CenterPoint Energy Houston Electric, LLC application for approval to increase the retail rate.

Approved for the City Council meeting agenda

Corby D. Alexander, City Manager

Date