



CITY COUNCIL

AGENDA REQUEST

AGENDA OF:	09-04-12	AGENDA REQUEST NO:	V-C
INITIATED BY:	EUGENIA CANO, ACTING CITY ATTORNEY	RESPONSIBLE DEPARTMENT:	LEGAL
PRESENTED BY:	EUGENIA CANO ACTING CITY ATTORNEY	DIRECTOR:	EUGENIA CANO <i>EAC</i> ACTING CITY ATTORNEY
		ADDITIONAL DIRECTOR (S):	N/A

SUBJECT / PROCEEDING: **GULF COAST COALITION OF CITIES/
RESOLUTION FOR MEMBERSHIP**

EXHIBITS: **RESOLUTION NO. 12-21**

CLEARANCES		APPROVAL	
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LEGAL:	N/A	ASSISTANT CITY MANAGER:	KAREN DALY <i>Kd</i>
PURCHASING:	N/A	ASSISTANT CITY MANAGER:	N/A
BUDGET:	N/A	CITY MANAGER:	ALLEN BOGARD <i>Kd</i> FOR AB

BUDGET	
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EXPENDITURE REQUIRED: \$

CURRENT BUDGET: \$

ADDITIONAL FUNDING: \$

RECOMMENDED ACTION	
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Approve Resolution No. 12-21 for membership in the Gulf Coast Coalition of Cities.

EXECUTIVE SUMMARY

The City of Sugar Land has worked with an informal coalition of cities to intervene on behalf of its residents into the rate proceedings at the Public Utility Commission and the Railroad Commission for electric and gas rates and rules. This coalition, Gulf Coast Coalition of Cities (GCCC), has begun to see the need for a more formal structure in order to allow the cities to intervene in rate cases in a timely fashion.

For the past 15 years, GCCC has protected the authority of municipalities over monopoly electric and natural gas providers and defended the interests of the residential customers within the cities. During this time, GCCC has existed primarily as an informal group that joins together for purposes of participation in large rate proceedings. In recent years, however, changes both in the law and at the commissions have altered the regulatory environment. Specifically, there has been an erosion of traditional ratemaking. This has been combined with an overall increase in the number of contested cases and rulemakings. Although these proceedings continue to impact the rates customers pay, they are frequently smaller and faster. Moreover, the Railroad Commission and Public Utility Commission have increasingly made reimbursement of cities' costs uncertain and difficult.

The adoption of a formal structure will provide GCCC with flexibility to participate in activities on behalf of municipalities for which it needs funding support from its members. Furthermore, it will allow GCCC to continue to be an effective voice for consumers. GCCC has been the primary public interest advocate before the Public Utility Commission, ERCOT, the Courts, and the Legislature on electric utility regulation matters for nearly two decades.

The proposed resolution authorizes the City to participate in reimbursable rate proceedings and allows the City Manager to authorize the participation in non-reimbursable proceedings that impact the City's residents but can be reimbursed from the participation fees paid by the City.

Due to the potential increase in non-reimbursable proceedings, rulemakings, and legislative efforts impacting the rates charged within the City, it is possible that additional efforts will be necessary on new issues that arise during the year. Sugar Land's participation will assist GCCC in providing appropriate representation in these cases.

The proposed resolution allows Sugar Land to join the GCCC and be represented by the Lloyd Gosselink law firm in Austin.

EXHIBITS

RESOLUTION NO. 12-21

A RESOLUTION OF THE CITY OF SUGAR LAND AUTHORIZING MEMBERSHIP IN THE GULF COAST COALITION OF CITIES (GCCC) TO PROTECT THE INTERESTS OF THE CITY AND ITS CITIZENS WITH RESPECT TO ELECTRIC AND GAS UTILITY REGULATORY AND OTHER MATTERS; AND SETTING FORTH OTHER PROVISIONS RELATED THERETO.

WHEREAS, the City of Sugar Land (City) has exclusive original jurisdiction over the rates and services of electric and natural gas utility service within its municipal boundaries; and

WHEREAS, the City is an electric and gas utility customer and a regulatory authority with an interest in the rates that it and its citizens are charged; and

WHEREAS, the City is concerned about the impact of the rates on its citizenry; and

WHEREAS, the Gulf Coast Coalition of Cities (GCCC) is a coalition of similarly- situated political subdivisions in the Greater Houston area that represents the interests of its members on gas and electric utility matters before the Public Utility Commission, the Railroad Commission, the Electric Reliability Council of Texas and the courts; and

WHEREAS, the GCCC has been an active intervenor in all of the major electric and gas ratemaking proceedings involving CenterPoint Electric, Texas-New Mexico Power Company, CenterPoint Gas, and Texas Gas Service Co. during the past 15 years; and

WHEREAS, GCCC was created in response to concerns about the price of gas and electricity paid by its member cities as well the citizens living within the boundaries of its members and to ensure a separate representation in order to ensure that their interests were not being overlooked; and

WHEREAS, by joining together, the members of the GCCC have been able to present a strong voice to the Railroad Commission, Public Utility Commission, and courts; and

WHEREAS, GCCC's participation has served to reduce the prices that member cities and their residents pay for gas and electricity; and

WHEREAS, by participating in the GCCC, its members are taking an active role in promoting economic development through reasonable gas and electric rates; and

WHEREAS, participation in GCCC demonstrates the concern of its members about the reliability, quality of service and prices its citizens pay for gas and power; and

WHEREAS, to continue participation in the GCCC the City will pay to the GCCC its proportionate share of fifteen cents per capita to fund the activities associated with gas and electric matters; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

Section 1. That the City authorizes membership and participation in the GCCC and cooperation with the members of the GCCC on electric and gas utility matters.

Section 2. That, subject to City retaining the right to withdraw from any proceeding, the City authorizes the GCCC to intervene and participate on its behalf in reimbursable electric and gas utility ratemaking proceedings according to the Public Utility Regulatory Act and the Gas Utility Regulatory Act.

Section 3. That, unless City Council action is required by state law, the City Manager, or his designee, may:

- (a) Determine the non-reimbursable electric and gas utility proceedings and matters in which the City will participate as a member of the GCCC;
- (b) Authorize the City's withdrawal from a non-reimbursable electric or gas utility proceeding or matter in which the GCCC is participating;
- (c) Make decisions during the pendency of and approve or deny settlement of an electric or gas utility administrative or court proceeding in which the GCCC is participating; and
- (d) Make decisions on natural gas and electric utility matters not involving administrative or court proceedings in which the GCCC is participating.

Section 4. That, subject to available funding in the City's annual budget, the City is authorized to pay to the GCCC the City's assessment of fifteen cents (\$0.15) per capita based on the population figures shown in the latest TML Directory of City Officials as the City's proportionate share of costs associated with non-reimbursable electric and gas utility matters. Payment shall be sent to the city acting as treasurer for the GCCC.

Section 5. That the City approves Lloyd Gosselink Rochelle & Townsend, P.C. as the law firm representing the GCCC in electric and gas utility matters. A copy of this Resolution shall be sent to Thomas Brocato, General Counsel to the Gulf Coast Coalition of Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Austin, Texas 78701.

APPROVED on _____, 2012.

James A. Thompson, Mayor

ATTEST:

Glenda Gundermann, City Secretary

Reviewed for Legal Compliance:

Eugenia A. Cano