



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 3/25/2025

ALL

Item Creation Date: 3/11/2025

ARA - CenterPoint GRIP Suspend

Agenda Item#: 17.

**Background:**

The Administration & Regulatory Affairs Department (ARA) recommends that City Council adopt an ordinance suspending, for 45 days, implementation of the CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (CenterPoint or Company) Gas Reliability Infrastructure Program (GRIP) interim rate adjustment. CenterPoint provides natural gas distribution services in the Houston metropolitan area, serving approximately 414,000 residential, 24,000 small general service, and 1,000 large volume customers in Houston. The City of Houston exercises original jurisdiction over the rates, operations, and services of CenterPoint under the provisions of the Texas Utilities Code for customers inside city limits.

On February 18, 2025, CenterPoint filed an annual GRIP interim rate adjustment for customers within its Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas, which includes Houston. The GRIP was established during the 78<sup>th</sup> Legislative Session to incentivize investment in Texas' gas pipeline infrastructure to meet continuing growth in the state and to enhance safety by replacing aging facilities. The GRIP permits CenterPoint to implement an interim rate adjustment to recover return on the change in invested capital and changes in depreciation and property taxes related to the new investment without filing a full base rate change request. Pursuant to State Law, the City's role in the GRIP proceeding is to review the application to ensure compliance with GRIP statutory requirements. This includes a ministerial review of the filing to test whether GRIP calculations are correct.

CenterPoint is requesting a revenue requirement increase of \$70.7 million to retail gas customers within its Houston, Texas Coast, South Texas and Beaumont/East Texas geographic rate areas. The filing captures changes in invested capital from October 1, 2023 through December 31, 2024 — an approximate \$446.2 million increase in net investment. If the requested adjustment is adopted, the fixed customer charge for Houston customers would increase as follows:

<b>CenterPoint Monthly Fixed Customer Charge</b>			
<b>Current vs. Proposed</b>			
<b>Customer Class</b>	<b>Current Rate</b>	<b>Proposed Rate</b>	<b>Proposed Increase</b>
Residential	\$ 19.50	\$ 22.38	\$ 2.88
General Service Small	\$ 30.00	\$ 35.14	\$ 5.14
General Service Large	\$ 390.00	\$ 451.20	\$ 61.20

Pursuant to the Texas Utilities Code, CenterPoint's request will take effect April 19, 2025 — 60 days after filing — unless City Council adopts an ordinance suspending the proposed effective date for 45 days — to June 3, 2025. The suspension period will provide the City's rate experts the time necessary to review the request, address potential ministerial corrections to the calculations with CenterPoint, if any, and to prepare a final recommendation for consideration by the Mayor and City Council. The City must complete its review of the current GRIP request within this statutory timeframe.

ARA recommends that City Council adopt an ordinance suspending for 45 days implementation of the CenterPoint Energy Entex GRIP interim rate adjustment.

**Departmental Approval Authority:**

DS  
EC

DocuSigned by:

Tina Paez

Tina Paez, Director  
Administration & Regulatory  
Affairs Department

Other Authorization

**Amount and Source of Funding:**

N/A

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