

City of Houston Procedural Rules for Utility Rate Cases

1. **Title.** These rules may be referred to as the City of Houston Procedural Rules (Rules).
2. **Applicability.** The Rules apply to any proceeding affecting the rates, operations or services of any utility as to which the governing body of the City of Houston exercises original jurisdiction under applicable law; provided however, the Rules do not apply to the City of Houston Combined Utility System or any other municipally-owned utility. If the Mayor appoints a Hearing Examiner, pursuant to Chapter 37 of the Code of Ordinances(Chapter 37), the Rules apply to any Proceeding to the extent not inconsistent with Chapter 37.

3. **Definitions.**

City of Houston means the City of Houston as a local regulatory authority as that term is defined in the Natural Resources Code, Utilities Code or Water Code, as appropriate to a proceeding governed by these Rules.

Code of Ordinances means the City of Houston, Texas Code of Ordinances as currently enacted or hereafter amended.

Contested case means a proceeding, including a ratemaking proceeding, in which the legal rights, duties, or privileges of a party are to be determined by the City of Houston after an opportunity for adjudicative hearing.

Council Rules of Procedure means the Council Rules of Procedure for the City of Houston, Texas as contained at Chapter 2 of the Code of Ordinances.

Day means a calendar day.

Director means the Director of the Administration and Regulatory Affairs Department for the City of Houston, Texas or designee. Subject to the provisions of the Code of Ordinances, the Director may delegate authority to a designee.

Proceeding means any hearing, investigation, inquiry or other fact-finding or decision-making procedure, including the denial of relief or the dismissal of a complaint, and includes the initiation, conduct, and determination of proceedings required or permitted by applicable law, whether initiated by the City of Houston or by the filing of an application, complaint, petition, or any other pleading.

Unprotested case means a contested case in which a hearing is not necessary.

Utility has the meaning assigned in the Utilities Code, Natural Resources Code or Water Code, as appropriate to a proceeding governed by the Rules.

4. **Council Rules Apply.** The City Council Rules of Procedure apply to all Hearings and Agenda Items concerning or related to a proceeding to which the Rules apply.
5. **Computing Time.** In computing any period of time prescribed or allowed by the Rules, by the City of Houston, the Director (or designee) or by any applicable statute, the period shall begin on the day after the act, event, or default in question. The period shall conclude on the last day of the designated period unless that day is a day the office of the city secretary is not open for business, in which event the designated period runs until the end of the next day on which the office of the city secretary is open for business.
6. **Service.** (a) An original and three copies of any pleading or document that initiates a proceeding shall be filed with the office of the city secretary in hardcopy and on appropriate electronic medium in searchable format and with all formulas intact where applicable in any spreadsheet. Any pleading or document thereafter filed in a protested contested case shall be served on every other party of record and simultaneously served on each party's attorney or other authorized representative, if any, at the time of filing with the city.

(b) A certificate of service on all parties of record shall constitute prima facie evidence of the fact of service.

(c) A pleading or document may be served by delivering a copy to the party to be served, or to the party's duly authorized representative, either in person, by agent, by courier receipted delivery, by first class mail to the party's last known address, by telephonic document transfer to the recipient's current telecopier number, or by such other manner as the parties may stipulate.

(d) Service by mail shall be complete upon deposit of the paper, enclosed in a post-paid, properly addressed wrapper, in a post office or official depository under the care of the United States Postal Service. Service by telephonic document transfer, in person, by agent, by courier receipted delivery, or electronically where stipulated by the parties, after 5 p.m. local time of the recipient shall be deemed served on the first day following that is not a Saturday, Sunday, or day when the office of the city secretary is not open for business.
7. **Discovery.** The City may issue such discovery requests to a Utility or Party as it deems necessary to make a determination in the Proceeding. Discovery responses shall be served no later than the tenth day following the service of the discovery request. If a request is designated by the Director or designee as a follow-up request because the previous request was incomplete, unclear or otherwise not fully unresponsive, the follow-up discovery response shall be served no later than the fifth day following the service of the follow-up discovery request. Responses to discovery shall be served both electronically and in hard copy on the Director or designee, the Legal Department, the City's authorized representative, and other authorized representatives for Intervenors or other parties. In addition, spreadsheets and tables shall be provided to the City electronically in native format with all formulas intact at the time of service. Objections and assertions of privilege shall be served no later than the fifth day following the service of the

discovery request. Assertions of privilege shall be accompanied by a privilege log, if applicable, identifying the title of the document, the sender and recipient, the date of the document, and a description of the basis for the assertion of privilege.

8. **Intervention.** Any party with a justiciable interest in a Proceeding may intervene in a proceeding by filing a letter with the City Secretary and providing service in accordance with Section (6) above.

9. **Confidential Information.** Any information that is deemed confidential shall be designated “Confidential” in conspicuous form and shall be provided in a 10X13 inch manila clasp envelope. The basis for the “Confidential” claim shall be supported by narrative language clearly identifying the reason that each document mandates “Confidential” status.

10. **Lead counsel.** A party represented by more than one attorney or authorized representative in a Proceeding shall be required to designate one lead counsel who is authorized to act on behalf of the party.

11. **Sanctions.** In addition to consequences authorized by other law, the Director may recommend that the City of Houston impose an appropriate sanction for violation of any of the Rules against the offender. The sanction shall be based on (1) the seriousness of the violation; (2) the harm caused by the violation; (3) the history of previous violations; (4) the amount necessary to deter future violations; (5) efforts to comply with the rules; and (6) any other matter than justice may require.

12. **Hearings.** All hearings in a Proceeding shall be conducted before City Council in open session (either regular or special). The parties may waive the attendance of a certified court reporter by written stipulation. Otherwise, all hearings shall be transcribed by a certified court reporter.