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January 5, 2012

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The Honorable Thomas H. Walston  
The Honorable Lilo D. Pomerleau  
The Honorable Steven D. Arnold  
State Office of Administrative Hearings  
300 West 15<sup>th</sup> Street, Suite 502  
Austin, Texas 78701

RE: SOAH Docket No. 473-12-2979; PUC Docket No. 39896 – Application of Entergy Texas, Inc. for Authority to Change Rates, Reconcile Fuel Costs, and Obtain Deferred Accounting Treatment

Dear Judges Walston, Pomerleau and Arnold:

On December 22, 2011, Entergy Texas, Inc. (ETI) filed its Petition for Review of Cities' Ordinances and Motion to Consolidate (Petition). One of the Cities whose ordinance was appealed in the Petition was Anahuac, Texas. ETI has been informed that the copy of the Anahuac ordinance initially provided to ETI and attached to the Petition incorrectly indicated that the City of Anahuac had denied ETI's rate application when, in fact, the city council of Anahuac voted to suspend the effective date of the proposed rate change, giving the city 90 additional days to act on the rate application. Counsel for Anahuac has provided ETI with a copy of the corrected ordinance, and a copy is attached. Accordingly, since there has been no denial to appeal, ETI withdraws Anahuac from the list of Cities' Ordinances identified in the Petition.

Very truly yours,



Everett Britt

cc: All Parties of Record

ORDINANCE NO. 2011-12-13

ORDINANCE OF THE CITY OF Anahuac, Tx, TEXAS AUTHORIZING THE SUSPENSION OF THE EFFECTIVE DATE FOR AN ADDITIONAL NINETY (90) DAYS BEYOND THE JANUARY 2, 2012, EFFECTIVE DATE PROPOSED BY ENTERGY TEXAS, INC., IN CONNECTION WITH ITS RATE INCREASE APPLICATION ENTITLED "APPLICATION OF ENTERGY TEXAS, INC. FOR AUTHORITY TO CHANGE RATES AND TO RECONCILE FUEL COSTS", FILED ON NOVEMBER 28, 2011; AUTHORIZING THE HIRING OF LAWYERS AND RATE EXPERTS; AUTHORIZING THE CITY'S PARTICIPATION TO THE FULL EXTENT PERMITTED BY LAW AT THE PUBLIC UTILITY COMMISSION OF TEXAS, REQUIRING REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT, AND DECLARING AN EFFECTIVE DATE

WHEREAS, on or about November 28, 2011 Entergy Texas, Inc. ("ETI") filed a Statement of Intent with the City to increase electric rates in the ETI Service Area by \$111.8 million per year; and

WHEREAS, Cities have exclusive original jurisdiction over the rates, operations and services of an electric utility in areas in the municipality pursuant to the Public Utility Regulatory Act §33.001(a); and

WHEREAS, Public Utility Regulatory Act § 33.021 requires a local regulatory authority to make a reasonable determination of rate base, expenses, investment and rate of return and retain the necessary personnel to determine reasonable rates; and

WHEREAS, the City's reasonable cost for regulatory expenses in ratemaking proceedings shall be reimbursed by the electric utility under Public Utility Regulatory Act § 33.023; and

WHEREAS, given the complexity of the proposed rate increase and the need to fully review the proposed rate adjustment it is necessary to suspend the effective date for implementing the proposed rates until at least April 1, 2012 in order to allow the City's rate experts sufficient time to determine the merits of ETI's proposed rates; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing analyzing, and investigating ETI's \$111.8 million rate increase request, City's efforts will be coordinated with similarly situated municipalities through the Entergy Texas, Inc. Cities Service Area Steering Committee; and

WHEREAS, the City will join with other ETI service area municipalities in a steering committee in order to coordinate the hiring and direction of counsel and consultants working on behalf of the steering committee and the City; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF Anahvac, TEXAS, THAT:

Section 1. That the statement and findings set out in the preamble to this resolution are hereby in all things approved and adopted.

Section 2. The effective date of ETI's proposed rate increase, and the proposed tariffs related thereto, is hereby suspended for an additional ninety (90) days until April 1, 2012 in order to complete the review and investigation by City's experts.

Section 3. The City is authorized to join with other municipalities as part of the Entergy Texas, Inc. Service Area Steering Committee with the understanding that the steering committee will provide direction and guidance to the lawyers who are representing said cities.

Section 4. The City employs The Lawton Law Firm, P.C. to represent the City with regard to the proposed rate increase of ETI before local and state regulatory authorities and any court of law and authorizes counsel to employ such rate experts as are recommended by the Cities' Steering Committee.

Section 5. The Steering Committee, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to ETI for reimbursement.

Section 6. City's legal representatives shall have the right to obtain additional information from ETI through the service of requests for information.

Section 7. ETI shall reimburse the City, through the designated representative city of the Steering Committee, for the reasonable costs of attorneys and consultant and expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 8. The meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. This Ordinance shall become effective from and after its passage.

PASSED AND APPROVED this 13 day of December, 2011

See Hartline

ATTEST:

H. D. Hawkins