

Control Number: 48371



Item Number: 413

Addendum StartPage: 0

SOAH DOCKET NO. 473-18-3733 PUC DOCKET NO. 48371

ENTERGY TEXAS, INC.'S STATEMENT OF INTENT AND APPLICATION FOR AUTHORITY TO CHANGE RATES

BEFORE THE STATE OFFICE

ADMINISTRATIVE HEARINGS

ENTERGY TEXAS, INC.'S FOURTH PETITION FOR REVIEW OF MUNICIPAL ORDINANCES AND MOTION TO CONSOLIDATE

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Pursuant to Section 33.051 of the Public Utility Regulatory Act ("PURA"),¹ Entergy Texas, Inc. ("ETI") hereby submits this Fourth Petition for Review of Municipal Ordinances, appealing the decisions adopted by the cities of Beaumont, Cleveland, Groves, Houston, Huntsville, Liberty, Oak Ridge North, Pinehurst, Shenandoah, Silsbee, Sour Lake, Splendora, Vidor and West Orange (the "Cities") to deny ETI's Statement of Intent and Application for Authority to Change Rates. ETI also moves to consolidate this appeal of the Cities' actions with the above-captioned rate proceeding. In support of this Petition and Motion, ETI shows the following:

I. JURISDICTION

The Public Utility Commission of Texas ("Commission") has jurisdiction over this Petition and Motion pursuant to PURA §§ 32.001, 33.051, 33.053, 33.054, and 36.001.

II. REQUEST FOR REVIEW AND CONSOLIDATION

On May 15, 2018, ETI filed with the Commission a statement of intent and application to change its electric utility rates ("Application"). ETI concurrently filed the Application with the cities in ETI's service territory that had retained original jurisdiction over ETI's rates within their city (*i.e.*, the Cities). In the ordinances identified in the table below and attached to this Petition as Exhibit A, the Cities declined to approve ETI's requested rate changes:

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¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (West 2007 & Supp. 2017).

Date of Ordinance	City
August 28, 2018	Beaumont
August 21, 2018	Cleveland
August 20, 2018	Groves
August 29, 2019	Houston
August 21, 2018	Huntsville
August 28, 2018	Liberty
August 27, 2018	Oak Ridge North
August 14, 2018	Pinehurst
August 22, 2018	Shenandoah
August 23, 2018	Silsbee
August 21, 2018	Sour Lake
August 20, 2018	Splendora
August 23, 2018	Vidor
August 13, 2018	West Orange

ETI therefore requests that the Commission exercise its appellate jurisdiction to conduct a *de novo* review of the Cities' actions denying ETI's Application, consolidate this appeal of the Cities' actions with Docket No. 48371, and establish final rates that the Cities would have set by approving ETI's Application. This appeal involves issues of law and fact common to those involved in Docket No. 48371. Further, separate hearings on this appeal and Docket No. 48371 would result in unwarranted expense, delay, and substantial injustice.²

² See 16 Tex. Admin. Code § 22.34(a).

III. CONCLUSION

For the foregoing reasons, ETI respectfully requests that the Commission grant this petition for review of the Cities' actions, motion to consolidate, and the rate relief requested in ETI's Application.

Respectfully submitted,

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Courtney Nicholson Wajiha Rizvi 919 Congress Avenue, Suite 701 Austin, Texas 78701 (512) 487-3999 (512) 487-3998 (fax)

Lino Mendiola III Michael A. Boldt EVERSHEDS SUTHERLAND (US) LLP 600 Congress Avenue, Suite 2000 Austin, Texas 78701 (512) 721-2700 (512) 721-2656 (fax)

John F. Williams Jay Breedveld DUGGINS WREN MANN & ROMERO, LLP 600 Congress, Suite 1900 Austin, Texas 78701 (512) 744-9300 (512) 744-9399 (fax)

ATTORNEYS FOR ENTERGY TEXAS, INC.

CERTIFICATE OF SERVICE

I hereby certify that on the 7th day of September 2018, a true and correct copy of the foregoing document was served on all parties of record in this proceeding.

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Sarah Merrick

EXHIBIT A

CITY ORDINANCES AND RESOLUTIONS

ORDINANCE NO. 18-048

AN ORDINANCE BY THE CITY OF BEAUMONT, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter; and,

WHEREAS, the City of Beaumont suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs; and,

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report"); and,

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards

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and other compensation-benefits, and storm reserve charges, which are unjustified by Entergy's filing; and,

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and,

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

NOW, THEREFORE, BE IT ORDAINED BY THE

CITY COUNCIL OF THE CITY OF BEAUMONT:

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

Section 2. The City of Beaumont hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 5. 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 6. This ordinance shall become effective from and after its passage.

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.

PASSED BY THE CITY COUNCIL of the City of Beaumont this the 28th day of



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ATTEST: HMA MOUSAUX City Clerk

August, 2018.

ORDINANCE NO. 1170

AN ORDINANCE BY THE CITY OF CLEVELAND, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City of Cleveland suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs;

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

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

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

Section 2. The City of Cleveland hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 5. 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 6. This ordinance shall become effective from and after its passage.

PASSED AND APPROVED this 21st day of August, 2018.

Otis Cohn, Mayor

ATTEST:

Angela Smith, City Secretary

Exhibit A Page 6 of 31

ORDINANCE NO. 2018-08

AN ORDINANCE BY THE CITY OF GROVES, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City of Groves suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs;

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

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

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

SECTION 2. The City of Groves hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

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SECTION 3. Entergy is hereby ordered to continue operating under its existing approved rates.

SECTION 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

SECTION 5. 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 6. This ordinance shall become effective from and after its passage.

PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of Groves held on the 20^{th} day of August, 2018.

Bailey, Mayor ad P

ATTEST:

Kimbra B. Lowery, City Clerk

APPROVED AS TO FORM: June M. Black

James M. Black, City Attorney

Exhibit A Page 8 of 31

City of Houston, Texas Ordinance No. 2018-676

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AN ORDINANCE DENYING THE APPLICATION OF ENTERGY TEXAS, INC. FOR AUTHORITY TO CHANGE RATES; MAINTAINING CURRENT RATES; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, on or about May 15, 2018, Entergy Texas, Inc. ("Entergy"), filed a Rate Filing Package and Statement of Intent and Application for Authority to Change Rates ("Application") with the City of Houston, Texas ("City") to increase electric rates and implement tariff rider surcharges in the Entergy Service Area; and

WHEREAS, Entergy proposes approximately a \$16.7 million increase to its base rates and riders for the first 2 years, which includes a \$101 million annual reduction from its requested increase so that it may pass on tax savings due to reduction in the federal corporate income tax rate, and proposes approximately \$117.6 million increase every year thereafter ("Rate Increase"); and

WHEREAS, Entergy's proposed Rate Increase is estimated to result in a \$2.36 increase to the monthly bill for the first 2 years and an estimated \$12.52 increase every year thereafter for the average residential customer using 1,000 kWh of electricity; and

WHEREAS, the City is the regulatory authority with original jurisdiction over the rates, operations, and services of CenterPoint for customers within the City under the Texas Utilities Code; and

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

WHEREAS, under the Public Utility Regulatory Act § 36.108, the City suspended for 90 days the effective date of Entergy's Rate Increase to September 17, 2018 ("Suspension Period"); and

WHEREAS, the City set interim rates during the Suspension Period; and

WHEREAS, the City is a member of the Entergy Texas, Inc. Cities' Steering Committee ("City Coalition"), a coalition of similarly situated municipalities served by Entergy; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing, and investigating Entergy's base rate increase request and

Entergy's proposed rate riders, the City is coordinating efforts with the City Coalition, which is handling the hiring and direction of counsel and consultants working on behalf of the City Coalition; and

WHEREAS, the City Coalition's rate experts have reviewed and determined that Entergy's Rate Increase request is overstated and not supported by evidence and that the rate experts' recommended adjustments to the Rate Increase more than eliminate Entergy's requested annual revenue increase; and

WHEREAS, the City Coalition's rate experts recommend that Entergy's request for a rate increase be denied; and

WHEREAS, City Council finds that it is in the best interests of the customers within Houston who are served by Entergy that the City deny Entergy's request for an electric rate increase and that the current rates remain in effect; and

NOW THEREFORE;

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BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the statements and findings set out in the preamble to this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the City of Houston, Texas, hereby denies Entergy's Application and request for Rate Increase and maintains the current rates in effect.

Section 3. That Entergy's Statement of Intent and Application for Authority to Change Rates on file with the City is denied in total.

Section 4. That if any provision, section, subsection, sentence, clause or phrase of this ordinance or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this ordinance or their application to other persons of sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

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Section 5. That the City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Act, Tex. Gov't. Code Ann., Ch. 551; and that this meeting was open to the public as required by law at all times during which this ordinance and the subject matter thereof have been discussed, formally considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 6. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED, this 29th day of Magust, 2018. APPROVED, this _____ day of _____, 2018.

Exhibit A Page 11 of 31

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is ______.

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City Secretary

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100 Prepared by Legal Dept YC August 15, 2018 Senior Assistant City Requested by Tina Paez Administrative and Regulatory Affairs Department L.D. File No. 0371800129001 Senior Assistant City Attorney

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AYE	NO	
		MAYOR TURNER
****		COUNCIL MEMBERS
		STARDIG
		DAVIS
		COHEN
		BOYKINS
		MARTIN
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		ROBINSON
		KUBOSH
		EDWARDS
/		CHRISTIE
CAPTION	ADOPTED	
		Rov. 5/18

CAPTION PUBLISHED IN DAILY COURT REVIEW SEP 0 4 2018

ORDINANCE NO. 2018-32

AN ORDINANCE BY THE CITY OF HUNTSVILLE, TEXAS, ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter; and

WHEREAS, the City of Huntsville suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs; and

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report"); and

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018.

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

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

Section 2. The City of Huntsville hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 5. 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 6. This ordinance shall become effective from and after its passage.

PASSED AND APPROVED this 214 __ day of Hugue ,2018. Andy Brauninger, May br ATTEST: APPROVED AS TO FORM: Lee Woodward, City Secretary Leonard Schneider, City Attorney

Exhibit A Page 14 of 31

Mceting: 08/28/18 06:00 PM

Department: Administration Category: Electric Issues



The City of Liberty City Council 1829 Sam Houston Liberty, TX 77575

ORDINANCE 2018-19

DOC ID: 4210

AN ORDINANCE BY THE CITY OF LIBERTY, TEXAS ("CITY") DENVING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT ALL ORDINANCES BE READ ON TWO SEPARATE DAYS.

WHEREAS, on or about May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City of Liberty suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs;

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation-including bonus, stock awards and other compensation-benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

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

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

Section 2. The City of Liberty hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

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Ordinance 2018-19 Page 2

City Council Meeting

August 28, 2018

Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 5. 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 6. This ordinance shall become effective from and after its passage.

Section 7. That the requirement contained in Section 3.10 of the Home Rule Charter of the City of Liberty, Texas that all ordinances be read on two days is hereby dispensed with.

PASSED AND APPROVED this 28th day of August, 2018.

Carl Pickett, Mayor

ATTEST:

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Dianne Tidwell, City Secretary

RESULT:	ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER:	Dennis Beasley, Councilperson
SECONDER:	Libby Simonson, Councilperson
AYES:	Pickett, Huddleston, Beasley, Simonson, Arnold, Glazener, Smith

ORDINANCE NO. 17-2018

AN ORDINANCE BY THE CITY OF OAK RIDGE NORTH, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City of Oak Ridge North suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs;

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OAK RIDGE NORTH, TEXAS, THAT:

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

Section 2. The City of Oak Ridge North hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 5. 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 6. This ordinance shall become effective from and after its passage.

PASSED AND APPROVED this 27th day of August 2018.

Kuvkendall, Mavor

ATTEST:



Elizabeth Harrell. City Secretary

ORDINANCE NO. 2018-03

AN ORDINANCE BY THE CITY OF PINEHURST, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City of Pinehurst suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs;

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

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

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

Section 2. The City of Pinehurst hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 5. 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 6. This ordinance shall become effective from and after its passage.

PASSED AND APPROVED this 14th day of August, 2018.

and X Mayor

ATTEST:

City Secretary

ORDINANCE NO. O-18-024

AN ORDINANCE BY THE CITY OF SHENANDOAH, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City of Shenandoah suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs;

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

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

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

Section 2. The City of Shenandoah hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 5. 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 6. This ordinance shall become effective from and after its passage.

PASSED AND APPROVED this <u>22nd</u> day of August, 2018.

CITY OF SHENANDOAH, TEXAS

M. RITCHEY WHEELER, Mayor

ATTEST: URTNEY CLAR City Secretary

APPROVED AS TO FORM:

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WILLIAM C. FEREBEE City Attorney



ORDINANCE NO. 18-07

AN ORDINANCE BY THE CITY OF SILSBEE, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City of Silsbee suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs;

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

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

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

Section 2. The City of Silsbee hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 5. 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 6. This ordinance shall become effective from and after its passage.

PASSED AND APPROVED this <u>23</u> day of <u>AUGUSH</u>, 2018 upon the first reading. The second reading was waived by unanimous consent by the City Council.

مقبم VILLIS, Mayor .ПÌ

ATTEST:

mest DEEANN ZIMMERMA N, City Manager

APPROVED:

H.P. WRIGHT, City Attorney

ORDINANCE NO. 09-01-2018

AN ORDINANCE BY THE CITY OF SOUR LAKE, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City of Sour Lake suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs:

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHERFAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

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

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

Section 2. The City of Sour Lake hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 5. 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 6. This ordinance shall become effective from and after its passage.

PASSED AND APPROVED this 21st day of August, 2018.

Bruce Robinson, Mayor/ or G. Shannon McDonald, Mayor Pro-Tem

- AFTEST: · idoraleta

Debra Morgan, City Secretary

ORDINANCE NO. 2018-08-20B

AN ORDINANCE BY THE CITY OF SPLENDORA, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City of Splendora suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs;

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

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

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

Section 2. The City of Splendora hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

Section 5. 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 6. This ordinance shall become effective from and after its passage.

PASSED AND APPROVED this 20th day of August, 2018.

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Dorothy Welch, Mayor

ATTEST:

Danna Welter, City Secretary

ORDINANCE NO. 1332

ORDINANCE OF THE CITY OF VIDOR, TEXAS DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; 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 May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City of Vidor, Texas (the "City") to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs;

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

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

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

Section 2. The City hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

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Section 3. Entergy is hereby ordered to continue operating under its existing approved rates.

Section 4. Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

The meeting at which this Ordinance was approved was in all things Section 5. conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 6. This ordinance shall become effective from and after its passage.

PASSED, APPROVED and ADOPTED this the 23rd day of August, 2018.

CITY OF VIDOR, TEXAS

Robert Viator, Jr. Mayor

ATTEST:

Vicki Watson, City Secretary

APPROVED:

Germer PLLC, City Attorney

Bv:

Christopher D. Leavins

ORDINANCE NO. 438

AN ORDINANCE BY THE CITY OF WEST ORANGE, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEST ORANGE, TEXAS, that

WHEREAS, on or about May 15, 2018, Entergy Texas, Inc. ("Entergy") filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area by \$16.7 million per year for the first two years rates would be in effect and \$117.6 million per year thereafter;

WHEREAS, the City of West Orange, Texas suspended the effective date of Entergy's rates within its jurisdictional limits until September 17, 2018, and hired the Lawton Law Firm, P.C. to review the Company's rate change request and proposed tariffs;

WHEREAS, the expert utility rate consultants retained to review the Company's rate increase on behalf of the City have proposed a total of about \$120 million in consolidated adjustments to Entergy's revenue requirement and have concluded that Entergy has not justified the need for a rate increase. The consultants' analyses more than eliminate the Company's purported annual revenue increase, as set out in the recommendations made to the City in the Final Rate Report to Cities Steering Committee ("Report");

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request includes rate increases for Entergy's proposed cost of capital, depreciation rates, employee compensation—including bonus, stock awards and other compensation—benefits, and storm reserve charges, which are unjustified by Entergy's filing; and

WHEREAS, Entergy has failed to justify increasing the rates previously determined to be reasonable and necessary by this City and other Texas regulatory authorities; and

WHEREAS, the statutory deadline to act on Entergy's rate increase request is September 17, 2018;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WEST ORANGE, TEXAS, that:

<u>Section 1.</u> That the statement and findings set out in the preamble to this Ordinance are hereby in all things approved and adopted.

<u>Section 2.</u> The City of West Orange hereby denies the rate increase and proposed tariff revisions requested in Entergy's Statement of Intent.

<u>Section 3.</u> Entergy is hereby ordered to continue operating under its existing approved rates.

<u>Section 4.</u> Entergy shall reimburse the City for the reasonable costs of attorney and consultant expenses related thereto, upon the presentation of invoices reviewed by the Steering Committee.

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<u>Section 5.</u> 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.

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Section 6. This ordinance shall become effective from and after its passage.

PASSED AND APPROVED this 13th day of August, 2018.

melonald Roy McDonald, Mayor

ATTEST:

Sheresa Van Meter Theresa Van Meter, City Secretary

APPROVED:

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Rex Peveto, City Attorney

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