

ORDINANCE NO. _____

ORDINANCE OF THE CITY OF MONTGOMERY, TEXAS AUTHORIZING THE SUSPENSION OF THE EFFECTIVE DATE FOR AN ADDITIONAL NINETY (90) DAYS BEYOND THE AUGUST 5, 2022, 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”, FILED ON JULY 1, 2022; AUTHORIZING PARTICIPATION WITH THE ENTERGY TEXAS, INC. SERVICE AREA CITIES STEERING COMMITTEE HIRING OF 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 July 1, 2022, Entergy Texas, Inc. (“Entergy”) filed a Statement of Intent with the City to increase electric rates in the Entergy Service Area; 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, Public Utility Regulatory Act § 36.108(a) authorizes a municipal regulatory authority to suspend a utility’s proposed rate change for not longer than 90 days after the date the rate change would otherwise be effective; and

WHEREAS, given the complexity of the proposed rate increase and the need to fully review the proposed base rate and riders, it is necessary to suspend the effective date for implementing the proposed rates until at least November 3, 2022, in order to allow the City’s rate experts sufficient time to determine the merits of Entergy’s proposed rates; 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, 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 Entergy service area municipalities in the Steering Committee in order to coordinate the hiring and direction of counsel and consultants working on behalf of the Steering Committee and the City.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, 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 effective date of Entergy's proposed rate increase, and the proposed tariffs related thereto, is hereby suspended for an additional ninety (90) days until November 3, 2022, 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 cities in the Entergy Texas, Inc. service area.

Section 4. The Steering Committee shall review the invoices of the lawyers and rate experts for reasonableness.

Section 5. City's legal representatives shall have the right to obtain additional information from Entergy through the service of requests for information.

Section 6. 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 7. 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 8. This Ordinance shall become effective from and after its passage.

PASSED AND APPROVED this 12th day of July, 2022.

Byron Sanford, Mayor

ATTEST:

Nici Browe, City Secretary