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September 1, 2022

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Re: **Entergy Texas, Inc.’s 2022 Statement of Intent to Implement Rate Schedule UODG (Related to Backup Electric Service); PUCT Docket No. 53992**

Dear Cities:

Recently, Entergy Texas, Inc. (“ETI” or “Company”) filed the above styled and numbered case at the Public Utility Commission of Texas (“PUCT” or “Commission”) and concurrently with the Cities. The proposed Rate Schedule UODG is a voluntary rate schedule that will apply only to customers who choose to participate in ETI’s Power Through service. The Company has requested an effective date of October 5, 2022, for Rate Schedule UODG. **Accordingly, Cities’ deadline to pass a Rate Ordinance is October 5, 2022.**

ETI’s new Power Through service is a distributed generation program, under which small gas-fired generators will be installed at commercial and industrial customer premises. The size of the distributed generators will range from 100 kW to 10 MW, depending on each participating customer’s need and location. The generators will serve as back-up generators to participating customers during system outages. During normal system operating times, ETI will be able to call on these distributed generation facilities to serve its own system load requirements. Thus, the gas-fired distributed generation facilities would serve as back-up to specific customers during system outages and as an ETI resource (generally a peak load resource) at all other times.

The proposed Rate Schedule UODG is a monthly fee that will apply only to host customers that elect to take back-up service from ETI using Power Through generators sited on their premises. It is site-specific, meaning the fee will be different for each customer depending on needed generator size, technology being utilized, interconnections needed, installation, and any other customer-specific costs.

The Company has asked the Cities to deny its application because it plans to join Cities' rate decisions with its concurrent application pending with the Commission, and the Commission will make the final determination to approve or deny the Company's request.¹ We will intervene in the Commission proceedings.

We are currently reviewing the Company's application to determine whether the Company's request is consistent with PURA and Commission rules. Because of the limited timeline, we recommend that the Cities deny Entergy's application in total by October 5, 2022. The Company provided a recommended Rate Ordinance denying Entergy's application with its filing. We have reviewed it and have no edits or additions; therefore, we recommend that the Cities pass the Company's proposed ordinance. Please forward passed ordinances to us at molly@mayhallvandervoort.com and danlawtonlawfirm@gmail.com.

If there are any questions or concerns, please do not hesitate to call.

Sincerely,

/s/ Daniel J. Lawton

¹ The Commission has original jurisdiction over Entergy service areas outside the City limits and appellate jurisdiction over City decisions. *See* Tex. Util. Code § 32.001.