

ORDINANCE NO. 2015-18

AN ORDINANCE BY THE CITY OF PORT NECHES, TEXAS ("CITY") DENYING THE DISTRIBUTION COST RECOVERY FACTOR RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON SEPTEMBER 4, 2015; SETTING JUST AND REASONABLE RATES FOR ENTERGY TEXAS, INC. FOR SERVICE WITHIN THE MUNICIPAL LIMITS; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS

WHEREAS, on or about September 4, 2015 Entergy Texas, Inc. ("Entergy") filed an Application for Authority to Amend the existing Distribution Cost Recovery Factor with the City to increase electric rates by implementing new riders pursuant to Public Utility Regulatory Act ("PURA") Section 36.210; and

WHEREAS, the proposed Distribution Cost Recovery Factor rates proposed by Entergy Texas, Inc. would increase customer rates in the Entergy Service Area by \$6.5 million per year above the current Distribution Cost Recovery Factor surcharge; and

WHEREAS, the jurisdictional deadline for the City to act in this rate matter is November 3, 2015; and

WHEREAS, the expert utility rate consultants retained to review the Company's Distribution Cost Recovery Factor rates on behalf of the City have made preliminary findings that Entergy has incorrectly calculated the proposed Distribution Cost Recovery Factor and overstated the claimed need for the rate increase requested. The consultants' analyses support reductions to the Entergy request; and

WHEREAS, the rate experts retained for the rate review have concluded that Entergy's rate filing request is not supported; and

WHEREAS, Entergy has failed to properly support and justify the rate class increase amounts for Entergy's proposed class allocation of certain distribution costs; and

WHEREAS, the statutory deadline to act on Entergy's Distribution Cost Recovery Factor rate increase request is November 3, 2015.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT NECHES, 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 Port Neches hereby denies the Entergy Distribution Cost Recovery Factor rate increase.

Section 3. Entergy's Distribution Cost Recovery Factor rate increase application on file with the City is denied in total.

Section 4. 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 5. This ordinance shall become effective from and after its passage.

PASSED AND APPROVED by the City Council of the City of Port Neches, Texas, at a regular meeting this, the 15th day of October, 2015.

THE CITY OF PORT NECHES, TEXAS

Glenn Johnson, Mayor

ATTEST:

Jamie Mendoza, City Secretary

APPROVED AS TO FORM:

Pete Steele, City Attorney