



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 2/2/2022

District E

Item Creation Date: 1/5/2022

ARA - Participation in the Entergy Steering Committee of Cities in 2022

Agenda Item#: 14.

Background:

The Administration & Regulatory Affairs Department (ARA) recommends that City Council adopt an ordinance authorizing participation with other Entergy Texas, Inc. (Entergy) service area cities in matters concerning Entergy before the Public Utility Commission of Texas (PUC or Commission) during 2022. Entergy provides electric service to approximately 473,000 retail customers in southeast Texas. Entergy serves approximately 1,800 customers in the Kingwood area — 1,500 residential and 300 commercial customers. The City of Houston (City) exercises original jurisdiction over the rates, operations, and services of Entergy under the provisions of the Public Utility Regulatory Act for customers within city limits.

The City participates in numerous Entergy administrative and litigated proceedings, including contested cases related to utility-initiated rate adjustment filings, as a member of the Entergy Steering Committee of Cities (Coalition), a group of similarly situated cities with Entergy customers within their city limits. Coordinating efforts maximizes the efficient use of resources and expertise in reviewing, analyzing, and investigating Entergy's filings. Several proceedings are anticipated for the 2022 calendar year, including a base rate case.

Houston ratepayers continue to benefit from participation in the Coalition. Since base rates were set in 2018, the Company filed numerous requests for interim cost recovery including distribution cost recovery (DCRF), generation cost recovery (GCRR) and Energy Efficiency Cost Recovery (EECRF) filings. The Company also filed an application to securitize approximately \$253 million in system restoration costs for damages related to Hurricanes Laura and Delta and Winter Storm Uri. The Coalition's participation in these proceedings was instrumental in keeping the Company's rates just and reasonable.

Adoption of the ordinance ensures the City's continued participation in the Coalition for the remainder of the 2022 calendar year. Therefore, ARA recommends Council adopt an ordinance authorizing participation with other Entergy service area cities in matters concerning Entergy before the PUC during calendar year 2022.

Fiscal Note:

There is no impact to the fiscal budget or no additional spending authority. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Departmental Approval Authority:

DocuSigned by:

Tina Paez

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Tina Paez, Director
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Other Authorization

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