



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 2/4/2020

District E

Item Creation Date: 1/15/2020

ARA -Participation in the Entergy Steering Committee of Cities in 2020 RCA

Agenda Item#: 19.

### **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 2020. Entergy provides electric service to approximately 450,000 retail customers in 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 2020 calendar year, including requests for rate revenue increases through incremental cost recovery mechanisms such as the Distribution Cost Recovery Factor. Entergy may also file a request to adjust its rates through a full base rate proceeding towards the end of 2020.

Houston ratepayers continue to benefit from participation in the Coalition. In the 2018 full base rate proceeding, Entergy Coalition member cities were instrumental in settling Entergy's base rate request. As a result of the settlement, the company agreed to an approximate \$4.3 million rate decrease, rather than the initially requested \$117.5 million increase in rates. Coalition intervention in the 2011/2012 full base rate proceeding led to an approximate \$88 million reduction to Entergy's proposed requested rate increase — \$112 million utility proposed increase versus the \$24 million Commission awarded increase.

Adoption of the ordinance ensures the City's continued participation in the Coalition for the remainder of the 2020 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 2020.

### **Departmental Approval Authority:**

DocuSigned by:

*Tina Paez*

Tina Paez, Director

Administration & Regulatory  
Affairs Department

Other Authorization

### **Contact Information:**

Lara Cottingham      Phone: (832) 393-8503  
Alisa Tally              Phone: (832) 393-8643