

AN ORDINANCE OF THE CITY OF Ingleside on the Bay, TEXAS FINDING, AFTER REASONABLE NOTICE AND ~~HEARING~~ HEARING, THAT THE EXISTING RATES OF CENTRAL POWER AND LIGHT COMPANY ARE UNREASONABLE; DETERMINING JUST AND REASONABLE RATES TO BE OBSERVED AND IN FORCE WITHIN THE CITY; ORDERING RATE REDUCTIONS; ORDERING THAT THIS ORDINANCE BE SERVED ON CENTRAL POWER AND LIGHT COMPANY; PRESERVING REGULATORY RIGHTS OF THE CITY; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES.

WHEREAS, the City of Ingleside on the Bay ("City"), acting as a regulatory authority, has provided reasonable notice and conducted a proper public hearing; and ^{ADC}

WHEREAS, the City has, on its own motion, found that the existing rates of Central Power and Light Company ("CPL") for service within the City are unreasonable; and

WHEREAS, the City has determined that the rates of CPL should be decreased.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF Ingleside on the Bay, TEXAS, THAT:

SECTION I. The existing rates of CPL are hereby found, after reasonable notice and ~~hearing~~ hearing, to be unreasonable and shall be decreased to reflect the reductions hereinafter ordered. The rates resulting from such reductions and credits are hereby determined to be the just and reasonable rates to be observed and in force within the City.

SECTION II. It is hereby ordered that the base rates of CPL for electric power and energy sold within the City be decreased by the amount of \$73,049,989.00 per annum on a Texas retail system-wide basis. Such base rate decrease shall be implemented on an across-the-board basis so that the base rates for all customer classes and each component thereof are reduced by the same percentage amount.

SECTION III. CPL shall file with the City, no later than the effective date of the rate reduction ordered herein, revised Schedules of Rates and Tariffs, together with rate design workpapers and supporting data as requested, setting forth those rates, tariffs, and charges based upon such decreases and credits as prescribed herein. Such Schedules of Rates and Tariffs may be modified or amended by the City Council to comply with the provisions hereof within ten (10) days from the date of filing with the City, otherwise the same shall be considered approved as filed.

SECTION IV. The City recognizes that a review of CPL's rates is taking place before the Public Utility Commission (PUC) and that CPL will appeal this ordinance into PUC Consolidated Docket No. 12820. Thus, the rate reduction ordered herein becomes effective when the PUC, in the exercise of its appellate jurisdiction, enters an order reducing CPL's rates.

SECTION V. This Ordinance shall be served on CPL by U.S. mail to Ralph Underbrink, P.O. Box 2121, Corpus Christi, Texas 78403.

SECTION VI. Nothing contained in this Ordinance shall be construed now or hereafter as limiting or modifying, in any manner, the right and power of the City under the law to regulate the rates and charges of CPL.

SECTION VII. The City hereby appoints James E. Darling as its representative on the Cities' Steering Committee for CPL rate matters. The City further ratifies the Cities' Steering Committee's appointment of Butler, Porter, Gay and Day and Diversified Utility Consultants, Inc. as the attorneys and consultants, respectively, to assist the Cities in CPL rate matters.

SECTION VIII. All Ordinances, Resolutions, or parts thereof, in conflict herewith are repealed to the extent of such conflict.

PASSED FINALLY ON THIS 17 day of May, 1994.



Mayor

ATTEST:

City Secretary

April 25, 1994

Mayor Alfred Robbins
City of Ingleside on the Bay
P.O. Box 373
Ingleside, Texas 78362

Dear Mayor Robbins:

I am sure you are aware from other correspondence you have received that a proceeding is underway at the Public Utility Commission of Texas to review Central Power and Light Company's rates. If your City is not yet a party to those proceeding, you may not be aware that an agreement has been approved by the Texas Commission administrative law judge presiding over this case.

The agreement calls for CPL and the other parties to be given additional time to develop and present their cases in hearings scheduled for late October 1994. A Commission decision would likely result in the first quarter of 1995. CPL's rates would not be increased as a result of this proceeding. The Commission review would be limited to whether CPL's rates should remain the same or be reduced. CPL contends that its rates should not be reduced; however, if a rate reduction is ordered, CPL has agreed that it can be retroactive to June 15, 1994, under terms to be specified by the Commission.

The agreement makes it possible for CPL and the Cities' Steering Committee to jointly recommend action for cities to take so that they and their residents may participate in a rate reduction and/or refund, if any is finally ordered. Mr. Gay, who represents those cities whose actions have been appealed to the Commission, has signed below to indicate the Steering Committee's agreement to the following procedures:

CPL and the Cities Steering Committee jointly recommend the following action be taken by cities who have not enacted a rate reduction ordinance:

- (1) Before June 9, 1994, the city should take final action on an ordinance to reduce CPL's rates by \$1 or more. A form ordinance recommended by the Steering Committee is enclosed.