

ORDINANCE NO. 40 44

AN ORDINANCE APPROVING RATE SCHEDULES TO BE CHARGED BY CENTRAL POWER AND LIGHT COMPANY IN THE CITY OF BAYSIDE, TEXAS, PROVIDING FOR SCHEDULES, CONDITIONS, SEVERABILITY; AND REPEAL OF CONFLICTING ORDINANCES.

WHEREAS, on February 15, 1989, Central Power and Light Company ("CPL" or "Company") filed with the City of BAYSIDE a request for an increase in electric utility rates to be charged within the City in the amount of \$157,554,732 per annum on a total Company basis, representing the first year of a nine-year phase-in plan, or the equivalent of an approximately \$464 million annual increase on a traditional, one time basis, and;

WHEREAS, the City, having suspended the effective date of such proposed increase from March 22, 1989, and having considered the same at a public hearing, is of the opinion and finds that the rates of CPL should be adjusted;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYSIDE, TEXAS:

PART 1: That the rates, tariffs, and charges of CPL for electric power and energy sold within the City be revised to increase annual revenues by \$81,374,950 on a total Company basis. Further, the amount of \$65,609,798 representing past overpayments of franchise taxes and unprotected excess deferred taxes shall be amortized through a refund, plus interest, to ratepayers over a three year period. Accordingly, the net first year increase to ratepayers shall be \$59,505,017 per annum. Such

Schedules of Rates, as are approved in accordance herewith, are those under which said Company shall be authorized to render electric service and to collect charges from its customers for the sale of electric power and energy within the corporate limits of the City until such time as said Rate Schedules may be changed, modified, amended, or withdrawn, with the approval of the City Council.

PART 2: That CPL shall file with the City a revised Schedule of Rates and Tariffs setting forth those rates, tariffs, and charges based upon such increase in total operating revenues as prescribed herein. The rate design implemented by such schedules and tariffs shall be in accord with the rate design filed by CPL. Such Schedule of Rates and Tariffs may be modified or amended by the City Council within ten (10) days from the date of filing with the City, otherwise the same shall be considered approved as filed. Provided, however, notwithstanding any other provisions herein contained, the rate increase provided for herein shall not be effective prior to the effective date of the rate increase ordered by the Public Utility Commission of Texas in Docket 8646 and no rate of CPL within the City of BAYSIDE shall, in any case, exceed the corresponding rate of customers of CPL in unincorporated areas whether such rate for unincorporated areas are set prior to or after the adoption of this ordinance and it shall be unlawful for CPL, its agents, servants or employees to collect or attempt to collect any higher

rate within the City of BAYSIDE than is collected by CPL within unincorporated areas.

PART 3: That the action of the City Council of the City of BAYSIDE enacting this Ordinance constitutes, on the date of its final passage, a final determination of rates for CPL within the City of BAYSIDE in accordance with Section 43(e) of the Public Utility Regulatory Act.

PART 4: Nothing in this Ordinance contained 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.

PART 5: That all Ordinances, Resolutions, or parts thereof, in conflict herewith are repealed to the extent of such conflict.

PASSED FINALLY ON THIS 13th day of June, A.D. 1989.

ATTEST:

Wenanda M. M. M.
CITY SECRETARY

Robert M. M.
MAYOR