

ORDINANCE 1996-01

AN ORDINANCE REVISING THE RATES OF CENTRAL POWER AND LIGHT COMPANY IN THE CITY OF PENITAS, TEXAS; PROVIDING FOR CONDITIONS, SEVERABILITY, AND REPEAL OF CONFLICTING ORDINANCES.

WHEREAS, on November 6, 1995, Central Power and Light Company (CPL or Company) filed with the City of Penitas a request for an increase in electric utility base rates to be charged within the City in the amount of \$77.652 million per annum on a system wide basis; and

WHEREAS, the City, having suspended the effective date for ninety (90) days to permit an evaluation of the reasonableness of CPL's request;

WHEREAS, the consultants retained by the Steering Committee of Cities Served By CPL to review CPL's existing rates be determined to be unreasonable;

WHEREAS, the City having considered CPL's request after reasonable notice and public hearing, is of the opinion and finds that the rates of CPL should be reduced;

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

Part 1: That the rates, tariff, and charges of CPL for electric power and energy sold within the City of Penitas be revised to reduce annual base revenues by \$54,562,000 on a Texas retail basis. The Schedules of Rates resulting from said reduction are those under which the 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within the corporate limits of the City until such time as said Rate Schedules may be changed, modified, amended, or withdrawn, with the approval of the City Council.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: The rates approved hereby fix the overall revenues of the Company at a level which will permit CPL a reasonable opportunity to earn a reasonable return on its invested capital used and useful in rendering service to the public over and above the Company's reasonable and necessary operating expenses. The rates approved hereby are just and reasonable.

Part 3: The rates approved hereby shall be effective and in force as of the date hereof for consumption as of the date hereof and shall be charged and observed thereafter until revised or superseded by bond according to law. Billings for periods of consumption which include consumption both under the Company's existing rate and the rate established hereby shall be prorated based on the days within each such period, as though daily consumption was equal on each day throughout both such periods.

The rate design shall be in accord with the existing rate design and shall reflect an equal base rate percentage decrease across all customer classifications.

Part 4: Any CPL request for modification of existing tariffs, rates or schedules not specifically addressed herein is denied.

Part 5: Notwithstanding any other provision herein contained, the rates of CPL within the City of Penitas shall not, in any case, exceed the rates of customers of CPL in unincorporated areas whether such rates for unincorporated areas are set prior to or after the adoption of this ordinance and it shall be unlawful of CPL, agents, servants or employees to collect or attempt to collect higher rates within the City of Penitas than are collected by CPL within unincorporated areas.

Part 6: Notwithstanding any other provision contained herein, the rates charged by CPL pursuant to the final order of the Public Utility Commission of Texas in Docket No. 12820 will continue to be CPL's lawful rates if CPL withdraws its pending application for an increase in rates by March 8, 1996.

Part 7: That the action of the City Council of the City of Penitas enacting this Ordinance constitutes, on the date of its final passage, a final determination of rates for CPL within the City of Penitas in accordance with Public Utility Regulatory Act §2.212.

Part 8: 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.

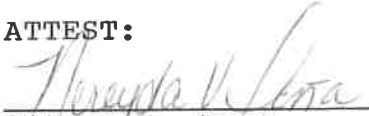
Part 9: Should any part, sentence or phrase of this ordinance be determined to be unlawful, void or unenforceable, the validity of the remaining portions of this Ordinance shall not be adversely effected. No portion of this Ordinance shall fail or become inoperative by reason of the invalidity of any other part. All provisions of this Ordinance are severable.

Part 10: That Cities' lawyers and consultants will participate in Public Utility Commission of Texas Docket No. 14965 in any appeal of this ordinance and to pursue refunds of unreasonable fuel costs that may appear appropriate in the fuel reconciliation phase of that docket.

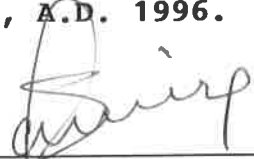
Part 11: That all Ordinances, Resolutions, or parts thereof, in conflict herewith are repealed to the extent of such conflict.

PASSED FINALLY ON THIS 5TH DAY OF MARCH, A.D. 1996.

ATTEST:



City Secretary



Mayor