AN ORDINANCE DETERMINING THAT THE PRESENT FUEL FACTOR OF CENTRAL POWER AND LIGHT COMPANY SET BY THE PUBLIC UTILITY COMMISSION OF TEXAS IS UNREASONABLE AND DETERMINING A JUST AND REASONABLE INTERIM FUEL FACTOR TO BE CHARGED BY CENTRAL POWER AND LIGHT COMPANY WITHIN THE CORPORATE LIMITS; PROVIDING FOR SEVERABILITY AND REPEAL OF CONFLICTING ORDINANCES

WHEREAS, effective September, 1983, the Public Utility Commission ("PUC") of Texas imposed a fuel factor to be charged by Central Power and Light Company ("CP&L" or "Company") on a system wide basis; and

WHEREAS, such factor has caused CP&L to overcollect electric utility rates in excess of \$45 million including accrued interest on a system wide basis through September, 1984; and

 $\,$ WHEREAS, such fuel factor imposed by the PUC constitutes unreasonable rates which should be revised; and

WHEREAS, a determination should be made, after further investigation, of the precise amount of overcollection by CP&L, a proper level and method of refund and fair and reasonable rates to be charged in the future:

NOW THEREFORE, be it ordained by the City Council of the City of Bayside _____, Texas:

SECTION 1. Pursuant to Section 42 of the Public Utility Regulatory Act, the present fuel factors charged by CP&L are hereby determined to be unreasonable, and were never authorized by the City and the following factors per KWH are determined to be just and reasonable:

 Transmission
 \$0.03284160

 Primary
 0.03402226

 Secondary
 0.03579610

SECTION 2. Said factors established by Section 1 hereof shall be charged by CP&L within the City on an interim basis commencing with CP&L's next billing cycle, January 26, 1985.

SECTION 3. Pursuant to the City's jurisdiction as a regulatory authority, further investigation, hearings and review shall be conducted to determine the precise amount of overcollection, a proper level and method of refund, plus accrued interest, and reasonable rates to be charged in the future.

SECTION 4. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or their application to other person or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion thereof or provision, or regulation contained herein, shall become inoperative or fail by reason of any unconstitutionality of any other portion hereof and all provisions of this Ordinance are declared to be severable for that purpose.

T.D. BUCHANAN, Mayor

SEAL

ATTEST:

CITY SECRETARY

3-11-85