

## ORDINANCE NO. 2168

**AN ORDINANCE OF THE CITY OF TERRELL, TEXAS, TO PROVIDE FOR THE REGISTRATION OF RETAIL ELECTRIC PROVIDERS, REQUIRING LOCAL REGISTRATION OF RETAIL ELECTRIC PROVIDERS PURSUANT TO SECTION 39.358 OF THE TEXAS UTILITIES CODE; PROVIDING FOR A REGISTRATION FEE; PROVIDING FOR THE SUSPENSION OR REVOCATION OF REGISTRATION FOR SIGNIFICANT VIOLATIONS OF CHAPTER 39 OF THE TEXAS UTILITIES CODE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, in the 76<sup>th</sup> Legislative Session, the Texas Legislature adopted Senate Bill 7 and thereby set in motion electric deregulation, and the competitive retail electricity market in Texas that opened on January 1, 2002; and

**WHEREAS**, under the provisions of Senate Bill 7 and the rules of the Public Utility Commission of Texas ("PUC") adopted to implement Senate Bill 7, customers will deal directly with a retail electric provider ("REP") in order to obtain electricity for their premises and accounts; and

**WHEREAS**, Section 39.358 of the Texas Utilities Code and PUC Substantive Rule § 25.113 specifically provides for local registration of REPs, as well as the assessment of a reasonable administrative fee for such registration; and

**WHEREAS**, Section 39.358 of the Texas Utilities Code further provides for the suspension or revocation of a REP's registration and operation within a city for significant violations of Chapter 39 of the Texas Utilities Code or the rules adopted by the PUC to implement Senate Bill 7; and

**WHEREAS**, registration will facilitate the City of Terrell having accurate information concerning each REP that will be serving City of Terrell residents and businesses in the event that City of Terrell customers experience problems with a REP; and

**WHEREAS**, the City Council of the City of Terrell, Texas, hereby finds that REPs should be registered by the City of Terrell and that an administrative fee of \$25 should be charged for each REP registration; and

**WHEREAS**, the City Council also finds it in the best interest of the City of Terrell and its citizens to allow the City to monitor REPs to ensure compliance with PUC certification; and

**WHEREAS**, the City Council finds that the REP serving as electric provider for the City of Terrell's electric accounts should be exempt from registration requirements unless that REP is serving end use customers within municipal limits other than the municipality; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TERRELL, TEXAS, THAT:**

### **REGISTRATION OF RETAIL ELECTRIC PROVIDERS**

#### **Section 1     General Provisions**

- A. Purpose. The City of Terrell City Council finds that it is in the best interest of the public to require that a Retail Electric Provider (REP) register as a condition of serving City residents. This ordinance establishes a "safe harbor" process for registration of REPs to standardize notice and filing procedures, deadlines, and registration information and fees. The "safe harbor" registration process provides certainty to City and REPs, thereby facilitating the development of a competitive retail electric market in Texas.

- B. Repeal of Existing Ordinance Addressing REP Registration. To the extent that an existing ordinance or ordinances of the City of Terrell address REP registration, such other ordinance or ordinances are hereby repealed.
- C. Definitions. The following words and terms, when used in this Article, shall have the following meanings, unless the context clearly indicates otherwise:

"**Commission**" or "**PUC**" shall mean the Public Utility Commission of Texas.

"**PURA**" shall mean the Texas Public Utility Regulatory Act, as amended.

"**REP**" shall mean Retail Electric Provider.

"**Registration Form**" shall mean the registration form approved by the Commission in accordance with Commission Substantive Rule §25.113 and available on the Commission's website or from the Commission's Central Records division.

"**Resident**" shall mean any electric customer located within the City, except the City of Terrell, regardless of customer class.

"**Revocation**" shall mean the cessation of all REP business operations within City, pursuant to Commission order.

"**Suspension**" shall mean the cessation of all REP business operations within City associated with obtaining new customers, pursuant to Commission order.

- D. Non-discrimination in REP registration requirements. The registration requirements apply equally to all REPs and types of REP. However, the City may exclude from its registration requirement the REP that provides service only to the City's own electric accounts as long as the REP providing service to the City does not serve any residents of the municipality.

## **Section 2      Registration**

- A. Standards for registration of REPs. Registrations will be processed administratively by City.
1. A REP shall register within 30 days after the effective date of this Ordinance or 30 days after providing retail electric service to any resident of City, whichever is later.
  2. A REP shall register with City by completing the Registration Form approved by the Commission, and signed by an owner, partner, officer, or other authorized representative of the registering party. Forms may be submitted to City by mail or facsimile.
  3. City shall review the submitted Registration Form for completeness, including the remittance of the registration fee. Within 15 business days of receipt of an incomplete registration, City shall notify the registering party in writing of the deficiencies in the registration. The registering party shall have 20 business days from the issuance of the notification to cure the deficiencies. If the deficiencies are not cured within 20 business days, City shall notify the registering party that the registration is rejected without prejudice.
- B. Information. City shall require a REP to provide only the information set forth in the Registration Form.
- C. Registration fees. REPs shall pay a reasonable administrative fee for the purpose of registration.
1. Each retail electric provider required to register under this Article shall pay to the City a one-time registration fee in the amount of \$25.
  2. A REP shall pay a late fee of \$15 if the REP fails to register within 30 days after this ordinance requiring registration becomes effective or 30 days after providing retail electric service to any resident of the municipality, whichever is later.
- D. Post-registration requirements and re-registration.

1. A REP shall notify City within 30 days of any change in information provided in its registration. In addition, a REP shall notify City within ten days if it discontinues offering service to residents of City.
2. If a REP's registration is revoked and the REP subsequently cures its defects and resumes operations it must re-register. In that circumstance, the REP may register in the same manner as a new REP.

### **Section 3 Suspension and Revocation**

City may suspend or revoke a REP's registration and authority to operate within the municipality upon a Commission finding that the REP has committed significant violations of PURA Chapter 39 or rules adopted under that chapter. City will not suspend or revoke the registration of the affiliated REP or provider of last resort (POLR) serving residents in City. City shall not take any action against a REP other than suspension or revocation of a REP's registration and authority to operate in the municipality, or imposition of a late fee in accordance with this Article.

1. City may provide a REP with a warning prior to seeking to suspend or revoke a REP's registration.
2. City shall provide the REP with at least 30 calendar days written notice, informing the REP that its registration and authority to operate shall be suspended or revoked. The notice shall specify the reason(s) for such suspension or revocation.
3. City may order that the REP's registration be suspended or revoked only after the notice period has expired.
4. In its suspension order, City shall specify the reasons for the suspension and provide a date certain or provide conditions that a REP must satisfy to cure the suspension. Once the suspension period has expired or the reasons for the suspension have been rectified, the suspension shall be lifted.
5. In its revocation order, City shall specify the reasons for the revocation.
6. A REP may appeal a suspension or revocation order to the Commission.

### **Section 4 Notice and Effective Date**

Upon adoption of this ordinance, The City shall file the ordinance with the Commission in a docket established by the Commission for the purpose of submitting municipal REP registration ordinances. The filing of this ordinance in such docket in accordance with Commission rules relating to the filing of pleadings, documents, and other materials shall serve as notice to all REPs of the requirement to submit a registration to the City. The ordinance will become effective 31 days after the ordinance has been filed with the Commission in accordance with this section.

Passed and Approved on this the 1<sup>st</sup> day of April, 2003.  
Passed and Adopted on this the 15<sup>th</sup> day of April, 2003.

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FRANCES ANDERSON, MAYOR

ATTEST:

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JOHN ROUNSAVALL, CITY SECRETARY

APPROVED AS TO FORM:

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MARY GAYLE RAMSEY, CITY ATTORNEY