



Hot Topics

Important issues for Entergy's customers, employees, investors and other stakeholders.

Entergy Texas and Deregulation

There are two electric markets in Texas – regulated and deregulated. The Texas Legislature passed landmark legislation in 1999 known as Senate Bill 7 that deregulated much of the Texas electric industry. Electric deregulation became effective Jan. 1, 2002 for the majority of Texans. Deregulation for Entergy customers in southeast Texas has been delayed.

The Texas Grid

Most major utility companies in Texas are part of the Electric Reliability Council of Texas. Other utility companies, including Entergy Texas, Inc., El Paso Electric, Southwestern Public Service and Southwestern Electric Power Company operate in geographic areas on the perimeter of Texas and get much of their power from other states. As a result, it has been more challenging for these non-ERCOT utility companies to move to deregulation until certain regulatory hurdles have been overcome.

Deregulation and the Texas Legislature

At the conclusion of the 2009 session, the Texas Legislature approved Senate Bill 1492 delaying competition in Southeast Texas for an indefinite period. It allows Entergy Texas to remain in an electric grid known as the Southeastern Reliability Council, but does not preclude the company, down the road, from joining another regional transmission organization.

Entergy believes that, in the near term, the legislation provided greater certainty to the company, its customers, and other stakeholders, thus allowing it to pursue infrastructure planning and improvements. The legislation also included a provision giving the company the go-ahead to recover future transmission costs. If, at some time in the future, the PUCT re-examines the issue and decides that Entergy Texas should join the deregulated marketplace, the company has four years to make the move.

While Entergy Texas will not be moving to deregulation in the foreseeable future, the company will continue to deliver superior customer service along with reliable, clean and affordable power to 400,000 customers throughout Southeast Texas.

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