

RESOLUTION NO. 20-R-15

A RESOLUTION OF THE CITY OF ALVIN, TEXAS FINDING THAT TEXAS-NEW MEXICO POWER COMPANY’S APPLICATION FOR A DISTRIBUTION COST RECOVERY FACTOR TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; AUTHORIZING PARTICIPATION WITH TNMP CITIES; AUTHORIZING THE HIRING OF LEGAL COUNSEL AND CONSULTING SERVICES; FINDING THAT THE CITY’S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the City of Alvin, Texas (“City”) is an electric utility customer of Texas-New Mexico Power Company (“TNMP” or “Company”), and a regulatory authority with an interest in the rates and charges of TNMP; and

WHEREAS, the Cities Served by Texas-New Mexico Power Company (“TNMP Cities”) is a coalition of similarly situated cities served by TNMP that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in TNMP’s service area in matters before the Public Utility Commission (“Commission”) and the courts; and

WHEREAS, on or about April 6, 2020, TNMP filed with the Commission an Application for Approval of a Distribution Cost Recovery Factor (“DCRF”), Commission Docket No. 50731, seeking to increase distribution rates by \$14.7 million annually (an approximately \$2.79 increase to the average residential customer’s bill from the rates approved in the Company’s most recent rate case); and

WHEREAS, the City of Alvin, Texas will cooperate with TNMP Cities in coordinating their review of TNMP’s DCRF filing with designated attorneys and consultants, prepare a common response, negotiate with the Company, and direct any necessary litigation, to resolve issues in the Company’s filing; and

WHEREAS, all electric utility customers residing in the City will be impacted by this ratemaking proceeding if TNMP’s Application is granted; and

WHEREAS, working with the TNMP Cities to review the rates charged by TNMP allows members to accomplish more collectively than each city could do acting alone; and

WHEREAS, TNMP Cities’ members and attorneys recommend that members deny TNMP’s DCRF.

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

Section 1. That the City is authorized to participate with TNMP Cities in Commission Docket No. 50731.

Section 2. That, subject to the right to terminate employment at any time, the City of Alvin, Texas hereby authorizes the hiring of the law firm of Lloyd Gosselink Rochelle & Townsend, P.C. and consultants to negotiate with the Company, make recommendations to the City regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal TNMP's DCRF application.

Section 3 That the rates proposed by TNMP to be recovered through its DCRF charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

Section 4. That the Company shall continue to charge its existing rates to customers within the City.

Section 5. That the City's reasonable rate case expenses shall be reimbursed in full by TNMP within 30 days of the adoption of this Resolution, and within 30 days of presenting monthly bills to TNMP thereafter.

Section 6. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

Section 7. That a copy of this Resolution shall be sent to Scott Seamster, Associate General Counsel, Texas-New Mexico Power Company, 577 N. Garden Ridge Blvd., Lewisville, Texas 75067, and to Chris Brewster, General Counsel to TNMP Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725, or cbrewster@lglawfirm.com.

PASSED AND APPROVED on this 21st day of May 2020.

CITY OF ALVIN, TEXAS

ATTEST

By: _____
Paul A. Horn, Mayor

By: _____
Dixie Roberts, City Secretary

APPROVED AS TO FORM:

Suzanne L. Hanneman,
City Attorney