

RESOLUTION NO. 2024-09

**A RESOLUTION OF THE CITY OF Eden  
TEXAS FINDING THAT AEP TEXAS INC.'S REQUESTED  
INCREASE TO ITS ELECTRIC TRANSMISSION AND  
DISTRIBUTION RATES AND CHARGES WITHIN THE  
CITY SHOULD BE DENIED; 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**, on or about February 29, 2024, AEP Texas Inc. ("AEP Texas" or "Company"), pursuant to Public Utility Regulatory Act ("PURA") §§ 33.001 and 36.001 filed with the City of Eden ("City") a Statement of Intent to change electric delivery rates in all municipalities exercising original jurisdiction within its service area, effective April 4, 2024; and

**WHEREAS**, the City is an electric utility customer of AEP Texas and a regulatory authority over the rates and charges of AEP Texas within the City; and

**WHEREAS**, the City is a member of the Cities Served by AEP Texas ("Cities"), a membership of similarly situated cities served by AEP Texas that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in AEP Texas' service area; and

**WHEREAS**, Cities is an intervenor in the parallel proceeding at the Public Utility Commission of Texas to review AEP Texas' filing; and

**WHEREAS**, pursuant to its exclusive original jurisdiction over AEP Texas' rates and operations within city limits, the City previously suspended the effective date of the Company's requested rate increase; and

**WHEREAS**, PURA § 33.023 provides that costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility; and

**WHEREAS**, the City's attorneys and consultants recommend that the City deny the application.

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
Eden, TEXAS:**

SECTION 1. That the rates proposed by AEP Texas in an application submitted to the City by the Company on or about February 29, 2024, are hereby found to be unreasonable, and are denied.

SECTION 2. That the Company shall continue to charge its existing rates for transmission and distribution service to customers with the City.

SECTION 3. That Cities' reasonable rate case expenses shall be reimbursed by AEP Texas within 30 days of presentation of an invoice to AEP Texas.

SECTION 4. 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 that the public notice was given of the time, place, and purpose of said meeting, as required.

SECTION 5. A copy of this Resolution shall be sent to AEP Texas, care of Jennifer Frederick, American Electric Power Company, 400 West 15th Street, Suite 1520, Austin, Texas 78701 (aepaustintx@aep.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this 11 day of June, 2024.

\_\_\_\_\_  
MAYOR

**ATTEST:**

\_\_\_\_\_  
City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

## **MODEL STAFF REPORT REGARDING AEP TEXAS' REQUESTED RATE CHANGE**

### **PURPOSE:**

On February 29, 2024, AEP Texas Inc. (“AEP Texas” or “Company”) filed an application with cities retaining original jurisdiction seeking to increase system-wide distribution rates by \$100.4 million per year (an increase of 13.1%), and increase to system-wide transmission rates by \$63.1 million (a decrease of 9.29%). According to AEP Texas, the impact of this approval on an average residential customer would be an increase of about \$4.59 per month.

In a prior City action, AEP Texas’ rate request was suspended from taking effect for 90 days, the fullest extent permissible under the law. This time period has permitted the City, through its participation with Cities Served by AEP Texas (“Cities”), to determine that the proposed rate increase is unreasonable. Consistent with the recommendations of experts engaged by Cities, AEP Texas’ request for a rate increase should be denied.

Accordingly, the purpose of the Resolution is to deny the rate change application proposed by AEP Texas.

### **Explanation of “Be It Resolved” Sections:**

SECTION 1. This paragraph finds that the Company’s application is unreasonable and should be denied.

SECTION 2. This section requires AEP Texas to maintain its existing rates for transmission and distribution service to customers within the City.

SECTION 3. This section states that Cities’ reasonable rate case expenses shall be reimbursed by AEP Texas within 30 days of presentation of an invoice to AEP Texas.

SECTION 4. 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 that the public notice was given of the time, place, and purpose of said meeting, as required.

SECTION 5. A copy of this Resolution shall be sent to AEP Texas, care of Jennifer Frederick, American Electric Power Company, 400 West 15th Street, Suite 1520, Austin, Texas 78701 (aepaustintx@aep.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).