



ACTION ITEM REPORT

Item Title:

Consideration and ACTION to approve a resolution of the City of Los Fresnos, Texas authorizing intervention in AEP Texas INC.'s application to amend its rider mobile temporary emergency electric energy facilities before the commission; approving cooperation with the cities served by AEP Texas; hiring Lloyd Gosselink attorneys and consulting services to negotiate with the company and direct any necessary litigation and appeals; requiring reimbursement of cities' rate case expenses; 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.

Recommendation:

Almost annually, AEP files for increases in costs. As part of the process, cities generally hire an expert to review these costs to assure everything is proper and to keep electrical costs lower. The City of McAllen generally leads this effort. We join in. It is not a cost to the city as the amount charged by the consultant is controlled by PUC and ends up being paid by AEP and the savings on the proposed increases. The cost to the city is zero and the benefit is a smaller increase than would normally be.

I recommend approval.