



MEETING DATE: April 24, 2023

PRESENTED BY: David Flores, Assistant City Manager

AGENDA ITEM: Approval of Resolution # _____ of the City of Mission, Texas finding that AEP Texas Inc.'s application to amend its distribution cost recovery factors to increase distribution rates within the city should be denied; authorizing participation with the cities served by AEP Texas; authorizing hiring of legal counsel. - Flores

NATURE OF REQUEST:

On April 5, 2023, AEP Texas Inc. filed an Application to Amend its Distribution Cost Recovery Factor to increase distribution rates within each of the cities in their service area. In the filing, the Company asserts that it is seeking an increase in distribution revenues of approximately \$39.7 million (an approximately \$1.63 increase to the average residential customer's bill from the rates approved in the Company's most recent DCRF case). Moreover, the Company is seeking to impose Rider Mobile TEEE Facilities to recover revenue related to mobile generation unit leasing and operation. The Rider would recover approximately \$30.67 million (an approximately \$1.30 increase to the average customer's bill).

The resolution authorizes the City to join with the Cities Served by AEP ("Cities") to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue and authorizes the hiring of Lloyd Gosselink and consultants to review the filing, negotiate with the Company, and make recommendations to the City regarding reasonable rates.

STAFF RECOMMENDATION:

Approval

Departmental Approval: N/A

Advisory Board Recommendation: N/A

City Manager's Recommendation: Approval *RF*

RECORD OF VOTE:	APPROVED:	_____
	DISAPPROVED:	_____
	TABLED:	_____

_____ AYES

_____ NAYS

_____ DISSENTING _____