

ORDINANCE NO. _____
AN ORDINANCE GRANTING TO AEP TEXAS INC., ITS SUCCESSORS AND
ASSIGNS, A NON-EXCLUSIVE FRANCHISE TO CONSTRUCT, MAINTAIN, AND
OPERATE LINES AND APPURTENANCES AND APPLIANCES FOR
CONDUCTING ELECTRICITY IN, OVER, UNDER, AND THROUGH THE
STREETS, AVENUES, ALLEYS, AND PUBLIC PLACES OF THE CITY OF
MISSION, TEXAS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MISSION, TEXAS,
AND A MAJORITY OF MEMBERS CONCURRING:

SECTION 1: That AEP Texas Inc., its successors and assigns, (“Company”) is granted the non-exclusive right, privilege, franchise, and authority until December 31, 2045, to acquire, construct, maintain, and operate in, above, under, across, over, and along the streets, alleys, thoroughfares, bridges, and public places (“Public Rights-of-Way”), of the City of Mission, State of Texas (the “City”), lines and appurtenances for the transmission and distribution of electric energy and incidental services, by overhead or underground conductors, including electric substations, underground conduits, poles, towers, wires, transmission and distribution lines, fiber optic cable, and telegraph and telephone wires for audio, video, and data communications in support of transmission and distribution operations and the electric system and grid, and to license or lease space on or within Company’s poles conduits, and appurtenant facilities for third-party attachments, and to install other facilities Company reasonably deems necessary to provide safe, reliable, and economical electric service to the City, inhabitants, and others.

SECTION 2: Poles and towers must be erected so as not to interfere unreasonably with traffic over streets and alleys, and the City may make and impose reasonable requirements fixing the location of poles, towers, and conduits, provided that no such requirement may be unreasonably burdensome upon Company or unreasonably interfere with the operation or maintenance of its facilities.

SECTION 3: The City grants Company permission to cut down, trim, remove, and otherwise control, including by use of herbicides or tree growth regulators, any trees, branches, vegetation, or brush upon and overhanging the Public Rights-of-Way in the vicinity of Company's electric facilities where, in Company's reasonable judgment, such vegetation may endanger the safety of Company personnel or interfere with the construction, operation, or maintenance of Company's facilities or with ingress to, from, or along the Public Rights-of-Way.

SECTION 4: Company shall fully indemnify, defend, and hold the City and its officers, employees, and agents harmless from and against all claims, losses, liabilities, damages, costs, and expenses, including reasonable attorneys' fees, arising out of or resulting from Company's exercise of any rights, privileges, franchises, or performance of its obligations hereunder, except to the extent arising out of the City's negligence or willful misconduct.

SECTION 5: Company shall pay the City as full consideration for this franchise and for the rights, privileges, and easements granted herein, a franchise fee for use of the Public Rights-of-Way within the City. The fee shall be computed in accordance with applicable law, currently PURA §33.008(b) of the Texas Utilities Code and shall equal the per-kilowatt-hour rate established thereby (currently \$0.002693 per kWh) multiplied by the total kilowatt- hours delivered by Company to retail customers within the City's boundaries. That rate may be revised from time to time as provided in Section 33.008(b) or any other applicable law. Payments calculated under this provision shall be made monthly during the term of this ordinance and shall be due on the first business day of the second month following the month in which the deliveries occurred (for the billing cycle for that month).

The City shall notify Company in writing of all annexations and de-annexations. Each notice must include: (1) the ordinance number authorizing the action; (2) an accurate map identifying the affected area(s); and (3) documentation of notice to the State of Texas. Company shall have no obligation to commence payments to City for kilowatt-hours delivered in newly annexed areas until receipt of such written notice. Beginning on the 91st day after Company's receipt of complete notice, Company will commence payments to City for kilowatt-hours delivered in each newly annexed area and will make any adjustments necessary to correct prior payments that resulted from inclusion of kilowatt-hours from de-annexed areas. All payments and adjustments will be made retroactively to the effective date of the applicable ordinance.

SECTION 6: References made in this ordinance to City or Company include their respective successors and assigns. All rights, privileges, franchises, and obligations contained in this ordinance shall bind and inure to the benefit of such successors and assigns, and upon succession the predecessor is divested of those rights, privileges, franchises, and obligations.

SECTION 7: The obligations and liabilities created by this franchise are joint and several. The invalidity or unenforceability of any provision of this franchise shall not affect the validity or enforceability of the remaining provisions.

SECTION 8: This ordinance shall take effect at the earliest period permitted by law, provided that Company files its written acceptance of this ordinance within ninety days after its adoption. Upon the effectiveness of this ordinance, the electric franchise under which the City has operated prior to this date shall be surrendered.

INTRODUCED, READ FOR THE FIRST TIME, AND PASSED to the second reading at a regular meeting duly and regularly called and held on the 10th day of February 2026, by the following vote:

AYES: 4 NAYES: 0

INTRODUCED, READ FOR THE SECOND TIME, AND PASSED to the third reading at a regular meeting duly and regularly called and held on the 24th day of February, 2026, by the following vote:

AYES: 5 NAYES: 0

INTRODUCED, READ FOR THE THIRD TIME, AND FINALLY PASSED AND ADOPTED in written form at a regular meeting, duly and regularly called and held on the 10th day of March 2026, by the following vote:

AYES: NAYES:

APPROVED, this the 10th day of March, 2026.

The Honorable Mayor of the City of Mission, Texas

Norie Gonzalez Garza
Printed Name

ATTEST:

City Secretary

Anna Carrillo
Printed Name

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF HIDALGO §

I, the undersigned, City Secretary of the City of Mission, Texas, certify that the above and foregoing is a true and correct copy of a franchise ordinance passed, adopted, and approved by the City Council of the City of Mission, Texas, at a meeting duly and regularly called and held on the 10th day of March 2026.

IN TESTIMONY WHEREOF, witness my hand and seal of office, this 11th day of March, 2026.

Anna Carrillo
City Secretary of the
City of Mission, Texas

ACCEPTANCE OF FRANCHISE

WHEREAS, the City of Mission, Texas, by Ordinance/Resolution #_____ passed, adopted, and approved at a meeting of the City held on the 10th of March 2026, granted to AEP Texas Inc., a Delaware corporation, a franchise in accordance with applicable law to supply electricity to the City of Mission, Texas, until December 31, 2045 (the “Franchise Ordinance”); and

WHEREAS, in compliance with the terms of the Franchise Ordinance, AEP Texas Inc. elects to file its written acceptance of the Franchise Ordinance.

NOW THEREFORE, AEP Texas Inc., a Delaware corporation, by its duly authorized officer, hereby accepts the Franchise Ordinance and states that it, and its successors and assigns, shall be entitled to all rights, privileges, authority, and franchise granted thereby and shall be bound by and will comply with all duties, liabilities, terms, and provisions of the Franchise Ordinance.

IN WITNESS WHEREOF, AEP Texas Inc. has caused this Acceptance of Franchise to be executed by its duly authorized officer this ____day of _____, 2026.

AEP TEXAS INC., a Delaware corporation

By: _____

Name: _____

Title: _____