

**RESOLUTION NO. 2008-R-4A**

**A RESOLUTION OF THE CITY COUNCIL OF ANGLETON, TEXAS ("CITY") AUTHORIZING A SUSPENSION OF THE EFFECTIVE DATE OF THE TEXAS-NEW MEXICO POWER COMPANY'S RATE INCREASE AND THE INTERVENTION IN THE PUBLIC UTILITY COMMISSION DOCKET NO. 36025; AUTHORIZING PARTICIPATION IN A COALITION OF MUNICIPALITIES KNOWN AS THE ALLIANCE OF TEXAS-NEW MEXICO POWER MUNICIPALITIES ("ATM"); AUTHORIZING PROVISION OF EXPERTS AND LEGAL REPRESENTATION; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING SUCH OTHER FINDINGS AS ARE RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, on August 29, 2008, Texas-New Mexico Power Company ("TNMP") filed a statement of intent to Increase rates for its transmission and distribution operations; and

**WHEREAS**, TNMP's requested rate will result in a 23.79% increase in residential distribution rates, an 82.9% increase for small commercial customers and a 78.5% increase in the charge for street lights; and

**WHEREAS**, TNMP's requested 11.25% return on equity is unusually high; and

**WHEREAS**, TNMP's application to increase rates is 3,209 pages of testimony, schedules and workpapers; and

**WHEREAS**, due to the complexity of TNMP's rate filing, it is not possible to review the requested increase in rates unless the effective date is suspended for the full ninety days as permitted by law; and

**WHEREAS**, the proposed rate increase requires the specialized expertise of lawyers and other experts who have experience analyzing utility rate requests; and

**WHEREAS**, in order to maximize the efficient use of resources and expertise in reviewing and analyzing TNMP's requested rate increase, it is most beneficial for the city to coordinate efforts with a coalition of other similarly situated cities.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANGLETON, TEXAS THAT:**

**Section 1.** The findings set out in the preamble to this resolution are in all things approved and adopted.

**Section 2.** That the City of Angleton is authorized to join with other cities in a coalition of cities known as the Alliance of Texas-New Mexico Power Municipalities ("ATM") with the understanding that the steering committee of ATM is to provide direction and guidance to the lawyers who are representing said cities.

**Section 3.** That the City does hereby suspend the proposed effective date for TNMP's request for an increase in rates for a period of 90 days from October 3, 2008.

**Section 4.** That the City employs the law firm of Herrera & Boyle, PLLC to represent and act in the best interests of the City in the TNMP rate case, PUC Docket No. 36025 and any other related proceeding.

**Section 5.** That the City retains its right to withdraw from ATM at any time without any financial obligation to the remaining coalition members or the experts or lawyers hired therefore.

**Section 6.** That TNMP shall reimburse the City for reasonable rate case expenses and in a timely manner.

**Section 7.** That the meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 8.** That this resolution shall become effective from and after its passage.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

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J. PATRICK HENRY, MAYOR

ATTEST:

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SHELLY DEISHER, CITY SECRETARY