

RESOLUTION NO. 2009-R-4A

A RESOLUTION OF THE CITY OF ANGLETON, TEXAS (“CITY”) DENYING THE SUPPLEMENTAL APPLICATION FOR AN INCREASE IN RATES PROPOSED BY TEXAS-NEW MEXICO POWER COMPANY (“TNMP”) ; FINDING THAT THE MEETING COMPLIED WITH THE OPEN MEETINGS ACT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, TNMP filed an application with the City Secretary on August 29, 2008 for an increase in rates of approximately \$9 million. The City denied the requested increase in rates and TNMP appealed the decision of the City Council to the Public Utility Commission of Texas (“PUC”); and

WHEREAS, TNMP filed a supplemental application for an increase in rates on or about April 1, 2009. The supplemental application asks for an increase in rates of \$18.2 million which is more than 200% greater than the original application.

WHEREAS, the City has joined with a coalition of cities known as the Alliance of TNMP Municipalities (“ATM”); and

WHEREAS, the application to increase rates by TNMP (“Statement of Intent”) has been filed at the Public Utility Commission of Texas (“PUC”) and has been docketed as PUC Docket No. 36025. The supplemental application has been joined with the original application at the PUC; and

WHEREAS, the supplemental application by TNMP requests a base rate increase of 31% for residential ratepayers and for municipal lighting an increase of 88%; and

WHEREAS, the experts hired by ATM have not finished their review of the supplemental filing but preliminarily the huge requested increases for residential, small business and municipal lighting do not appear justified; and

WHEREAS, based upon the preliminary review by the City’s and ATM’s experts, the supplemental requested increase in rates should be denied.

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. The City Council hereby denies TNMP's supplemental request to increase rates and in support thereof finds that:

- a) The supplemental application of TNMP fails to provide sufficient information to justify the requested increase in rates or to justify the changes set forth in the attached tariffs;
- b) As a preliminary matter, the requested increases for residential, small business and street lighting customers appear excessive.

Section 3. The City Secretary shall notify TNMP by sending copy of same to Scott Seamster, Corporate Counsel, 225 E. John Carpenter Freeway, Suite 1500, Irving, Texas 75062-2282 and ATM shall be notified by sending a copy to Jim Boyle, Herrera & Boyle, PLLC, Suite 1250, 816 Congress Avenue, Austin, Texas 78701.

Section 4. 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 5. This resolution shall become effective from and after its passage.

PASSED AND APPROVED this 28th day of April, 2009.

J. PATRICK HENRY, MAYOR

ATTEST:

SHELLY DEISHER, CITY SECRETARY

APPROVED AS TO FORM AND CONTENT:

HERBERT L. PROUTY,
INTERIM CITY ATTORNEY