

RESOLUTION NO. 2-1999

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE RATIFYING THE AGREEMENT REACHED BETWEEN CENTRAL AND SOUTHWEST CORPORATION AND THE STEERING COMMITTEE OF CITIES SERVED BY WEST TEXAS UTILITY REGARDING PUBLIC UTILITY COMMISSION DOCKET NO. 19265, "APPLICATION FOR PUBLIC INTEREST FINDINGS ASSOCIATED WITH THE MERGER OF CENTRAL AND SOUTHWEST AND AMERICAN ELECTRIC POWER COMPANY"; AUTHORIZING CONTINUED INVOLVEMENT BY THE STEERING COMMITTEE ON BEHALF OF THE CITY OF ABILENE IN DOCKET NO. 19265 FOR SO LONG AS THE CASE IS PENDING AT THE COMMISSION OR IS ON APPEAL IN THE COURTS.

WHEREAS, Central and Southwest Corporation (CSW), parent company to West Texas Utility (WTU), desires to merge with American Electric Power Company (AEP) and has applied to the Public Utility Commission of Texas (PUC) for findings that the proposed business combination is in the public interest and said application has been designated as Docket No. 19265; and

WHEREAS, the City of Abilene is a customer of West Texas Utility Company and has regulatory authority over WTU; and

WHEREAS, the City of Abilene cooperates with other Cities Served by WTU through a Steering Committee; and

WHEREAS, the Steering Committee, pursuant to an Order from the Administrative Law Judge presiding over Docket No. 19265, actively participated in settlement negotiations with all parties and ultimately entered into a non-unanimous Stipulation; and

WHEREAS, the Stipulation should produce results more favorable to ratepayers than the Companies' application and in the case of WTU, ratepayers would receive \$5 million a year in rate relief, enhance the value of off-system sales margins that benefit ratepayers in WTU fuel proceedings and freeze WTU's base rates until January 1, 2003; and

WHEREAS, certain parties to Docket No. 19265 will be opposed to rate relief and Cities will need to maintain a vigilant role in regulatory proceedings.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1: The action of the Cities' Steering Committee in reaching a Stipulation with CSW and AEP regarding their proposed merger is hereby ratified.

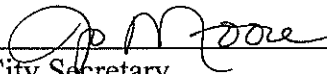
PART 2: Continued participation in PUC Docket No. 19265 by the Steering Committee of Cities served by WTU on behalf of the City of Abilene is authorized in order to advocate rate relief at least equivalent to that implicit in the Stipulation.

PART 3: That the Mayor be and is hereby authorized to sign this resolution on behalf on the City of Abilene.

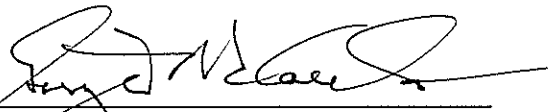
PART 4: That this resolution shall take effect immediately from and after its passage.

ADOPTED THIS 11 **DAY OF** February, **1999.**

ATTEST:



City Secretary



Mayor

APPROVED:



CITY ATTORNEY