

RESOLUTION NO. 61-2016

A RESOLUTION OF THE CITY OF ABILENE, TEXAS FINDING THAT AEP TEXAS NORTH COMPANY'S APPLICATION FOR APPROVAL OF A DISTRIBUTION COST RECOVERY FACTOR TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the City of Abilene, Texas ("City") is an electric utility customer of AEP Texas North Company ("TNC" or "Company"), and a regulatory authority with an interest in the rates and charges of TNC; and

WHEREAS, the City is a member of the Cities Served by AEP TNC ("Steering Committee"), a membership of similarly situated cities served by TNC that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in TNC's service area; and

WHEREAS, on or about April 6, 2016 TNC filed with the City an Application for Approval of a Distribution Cost Recovery Factor ("DCRF"), PUC Docket No. 45788, seeking to increase electric distribution rates by \$16,414,394; and

WHEREAS, all electric utility customers residing in the City will be impacted by this ratemaking proceeding if it is granted; and

WHEREAS, the Steering Committee is coordinating its review of TNC's DCRF filing with designated attorneys and consultants to resolve issues in the Company's application; and

WHEREAS, the Steering Committee's members and attorneys recommend that members deny the DCRF.

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

Section 1. That the City is authorized to participate in the Steering Committee in PUC Docket No. 45788.

Section 2. That subject to the right to terminate employment at any time, the City of Abilene hereby authorizes the hiring of the law firm of Lloyd Gosselink and consultants to negotiate with the Company, make recommendations to the City regarding reasonable rates, and

to direct any necessary administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.

Section 3. That the rates proposed by TNC to be recovered through its DCRF charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

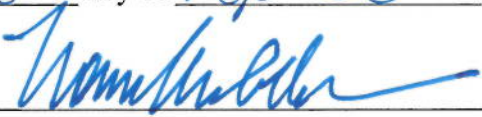
Section 4. That the Company shall continue to charge its existing rates to customers within the City.

Section 5. That the City's reasonable rate case expenses shall be reimbursed in full by TNC within 30 days of presentation of an invoice to TNC.

Section 6. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

Section 7. That a copy of this Resolution shall be sent to Jay Toungate, American Electric Power Service Corporation, 1201 Elm Street, Suite 800, Dallas, Texas 75270 and to Thomas Brocato, General Counsel to the Steering Committee, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this 28 day of April, 2016.



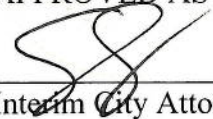
Mayor

ATTEST:



City Secretary

APPROVED AS TO FORM:



Interim City Attorney