

**ORDINANCE NO. \_\_\_\_\_**

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI APPROVING AN ADDITIONAL TARIFF FOR THE RECOVERY OF FRANCHISE FEES NOT CURRENTLY BEING RECOVERED IN BASE RATES BY AEP TEXAS INC.; AND FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THIS ORDINANCE WAS CONSIDERED WERE OPEN TO THE PUBLIC AND IN ACCORDANCE WITH TEXAS LAW.**

**WHEREAS**, the current Franchise Agreement by and between the City of Corpus Christi (“City”) and AEP Texas Inc. (“AEP”), passed and approved by the Corpus Christi City Council on January 13, 2009, in the form of Ordinance No. 028022, provides that the City may enact a franchise factor increase once every four (4) years during the term of the franchise, and that no such increase has been enacted since the effective date of the franchise; and,

**WHEREAS**, the City desires to increase the consideration or compensation for the use of the City’s public rights-of-way paid by AEP Texas Inc. by enacting an incremental franchise factor increase to be applied to any delivery for which the customer will receive a bill beginning in the January 2020 billing cycle, or subsequent billing cycles, resulting in an increase in the total franchise fee from a rate of \$0.002417 per kWh to a rate of \$0.0025378 for each kWh delivered by AEP to each retail customer whose consuming facility’s point of delivery is located within the corporate limits of the City of Corpus Christi; and,

**WHEREAS**, it is reasonable to allow AEP to recover the incremental cost of franchise fees paid to the City of Corpus Christi, and the change in the per kWh rate is not currently reflected in AEP’s base rates; and,

**WHEREAS**, the Franchise Agreement conditions the franchise compensation paid to the City by AEP upon the recovery of such payments from its customers; and,

**WHEREAS**, the effective date of the increase of the franchise fees establishes good cause to allow the tariff that provides for the recovery of the additional franchise fees to go into effect at the same time.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI, TEXAS THAT:**

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

**Section 2.** The attached tariff, Exhibit A, is incorporated herein and hereby approved. It allows the recovery of an incremental franchise fee to be paid to the City of Corpus Christi. Exhibit A shall be in full force and effect for any billings by AEP during the January 2020 and subsequent billing cycles.

**Section 3.** In the event that this Ordinance to change the level of franchise compensation paid to the City, as anticipated by this Ordinance, does not pass or is found by a court of competent jurisdiction not to have been lawful, the attached tariff shall be in effect only to the extent necessary for AEP to recover additional fees paid to the City of Corpus Christi over what would have been paid under the previous franchise fee rate, and AEP shall refund to its customers any excess amounts collected.

**Section 4.** It is hereby officially found and determined that the meetings at which this Ordinance passed were open to the public as required by law and that public notice of the time, place and purpose of said meetings were given.

**READ, CONSIDERED, PASSED AND APPROVED**, on first reading, this \_\_\_\_ day of \_\_\_\_\_, 2019.

**READ, CONSIDERED, PASSED AND FINALLY APPROVED**, on second reading, this \_\_\_\_ day of \_\_\_\_\_, 2019.

That the foregoing ordinance was read for the first time and passed to its second reading on this the \_\_\_\_\_ day of \_\_\_\_\_, 2019, by the following vote:

Joe McComb	_____	Michael Hunter	_____
Roland Barrera	_____	Ben Molina	_____
Rudy Garza	_____	Everett Roy	_____
Paulette M. Guajardo	_____	Greg Smith	_____
Gil Hernandez	_____		

That the foregoing ordinance was read for the second time and passed finally on this the \_\_\_\_\_ day of \_\_\_\_\_ 2019, by the following vote:

Joe McComb	_____	Michael Hunter	_____
Roland Barrera	_____	Ben Molina	_____
Rudy Garza	_____	Everett Roy	_____
Paulette M. Guajardo	_____	Greg Smith	_____
Gil Hernandez	_____		

PASSED AND APPROVED on this the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

ATTEST:

\_\_\_\_\_  
Rebecca Huerta  
City Secretary

\_\_\_\_\_  
Joe McComb  
Mayor

CITY OF CORPUS CHRISTI

BY:

\_\_\_\_\_  
Joe McComb, Mayor

ATTESTED:

BY: \_\_\_\_\_  
Rebecca L. Huerta, City Secretary

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
Miles Risley, City Attorney

STATE OF TEXAS           §

COUNTY OF NUECES       §

I, the undersigned, City Secretary of the City of Corpus Christi, Texas, hereby CERTIFY that the above and foregoing is a true and correct copy of an ordinance finally passed, adopted and approved by the City Council of the City of Corpus Christi, Texas, at a meeting duly and regularly called and held on \_\_\_\_\_, 2019.

IN TESTIMONY WHEREOF, witness my hand and seal of office, this \_\_\_ day of \_\_\_\_\_, 2019.

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Rebecca L. Huerta, City Secretary  
of the City of Corpus Christi, Texas

# **EXHIBIT A**

## **AEP Texas Inc.**

### **TARIFF FOR MUNICIPAL FRANCHISE FEES**

Applicable: Within City Limits of Corpus Christi, Texas

Effective Date: Upon effective date of Ordinance Approving Tariff

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## **Municipal Franchise Fee Charge**

### **AVAILABILITY**

This schedule is applicable to all electric service rendered by AEP Texas Inc. to customers within the City Limits of Corpus Christi, Texas.

### **MONTHLY RATE**

Municipal Franchise Fee      \$0.0001208

### **TERMS AND CONDITIONS**

Electric Service will be furnished in accordance with AEP Texas Inc.'s tariff manual and standard terms and conditions.