



AGENDA MEMORANDUM
Action Item for the City Council Meeting May 18, 2021

DATE: May 5, 2021
TO: Peter Zanoni, City Manager
FROM: Miles Risley, City Attorney
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AEP Distribution Cost Recovery Factor

CAPTION:

Resolution to authorize intervention in the Public Utility Commission of Texas Docket No. 51984, Application of AEP Texas Inc. (“AEP”) to Amend its Distribution Cost Recovery Factor; finding that AEP’s application to increase distribution rates within the city should be denied; authorizing participation with the cities served by AEP; authorizing hiring of legal counsel; and finding that the City’s reasonable rate case expenses shall be reimbursed by AEP

SUMMARY: Resolution to intervene in AEP’s filing at the Public Utility Commission of Texas for a Distribution Cost Recovery Factor

BACKGROUND AND FINDINGS:

On April 6, 2021, AEP Texas Inc. filed an Application for approval to Amend its Distribution Cost Recovery Rate Factor to become effective September 1, 2021 (Public Utility Commission of Texas Docket 51984). The City has jurisdiction over the application with regard to customers within the municipal boundary. AEP is seeking approval of a cost recovery factor to recover \$54,558,861 in invested capital. The proposed tariff of 0.004392 per kWh would impose an approximately \$2.60 increase to the average residential customer’s monthly bill. Approval of this Resolution authorizes the City to intervene and participate in the matter with other cities and denies the proposed rates. AEP gives notice of appeal to PUC of any municipal filings and any interim or final orders issued by a municipality’s governing body in this matter.

ALTERNATIVES:

Do not approve the Resolution and do not participate in the case.

FISCAL IMPACT:

Funding Detail:

Fund:

Organization/Activity:
Mission Element:
Project # (**CIP Only**):
Account:

RECOMMENDATION:

Approval of the Resolution

LIST OF SUPPORTING DOCUMENTS:

Resolution