



AGENDA MEMORANDUM

Action Item for the City Council Meeting April 26, 2022

DATE: April 11, 2022
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. 53451, Application of AEP Texas Inc. ("AEP") to Amend its Distribution Cost Recovery Factor; finding that AEP's application to increase distribution rates effective September 1, 2022 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, 2022, AEP Texas Inc. filed an Application for approval to Amend its Distribution Cost Recovery Rate Factor to become effective September 1, 2022 (Public Utility Commission of Texas Docket 53451). The City has jurisdiction over the application with regard to customers within the municipal boundary. AEP is seeking to increase electric distribution rates by approximately \$27.56 million (an approximately \$1.28 increase to the average residential customer's bill from the rates approved in the Company's most recent DCRF case). 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