

RESOLUTION NO. 2003 - 7 - R

A RESOLUTION AUTHORIZING INTERVENTION IN CENTRAL POWER AND LIGHT COMPANY'S REQUEST TO RECONCILE FUEL COSTS INCURRED DURING THE PERIOD JULY 1, 1998 – DECEMBER 31, 2001, FILED AT THE PUBLIC UTILITY COMMISSION OF TEXAS AND ASSIGNED DOCKET NO. 27035; AUTHORIZING THE JOINING WITH OTHER INTERVENING CITIES TO PROTECT MUNICIPAL AND RATE PAYER INTERESTS; AUTHORIZING THE HIRING OF ATTORNEYS AND CONSULTANTS; AND REQUIRING REIMBURSEMENT OF THE CITIES' RATEMAKING COSTS; AND DECLARING AN EFFECTIVE DATE.

The City of Victoria is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Central Power and Light Company ("CPL" or "Company") within the municipal boundaries of the city;

CPL filed an application with the Public Utility Commission ("PUC") on or about December 2, 2002, to reconcile fuel costs incurred during the period July 1, 1998 – December 31, 2001;

CPL's application, if granted, affects all Texas retail customers of CPL who pay fuel costs through a fixed fuel factor, including the City of Victoria and residents and businesses located within the municipal limits of the City of Victoria;

CPL's fuel reconciliation filing seeks PUC approval of fuel related contracts;

CPL asserts that the fuel costs incurred during the reconciliation period were reasonable and necessary to provide reliable electric service;

Pursuant to PURA §33.025, the City of Victoria has standing to intervene in PUC proceedings relating to the provision of electric service to the City; and

The interests of the City of Victoria and the electric customers residing within municipal boundaries can be protected most effectively by intervention in Docket 27035.

THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF THE CITY OF VICTORIA, TEXAS:

1.

The City of Victoria is authorized to intervene in CPL's fuel reconciliation filing at the Public Utility Commission of Texas, Docket 27035.

2.

The City of Victoria is authorized to join other cities served by CPL to coordinate efforts to protect the interests of the City of Victoria and protect the interests of CPL's customers residing and conducting business within municipal limits.

3.

Subject to the right to terminate employment at any time, the City of Victoria hereby authorizes the hiring of Steve Porter of the law firm of Lloyd, Gosselink, Blevins, Rochelle, Baldwin & Townsend, and qualified consultants and witnesses as may be necessary to review CPL's filings, to represent the City of Victoria at the PUC and to prosecute any appeals as directed by the City.

4.

Fees and expenses incurred by the City of Victoria in this ratemaking matter shall be promptly reimbursed by CPL pursuant to the Public Utility Regulatory Act.

5.

This resolution shall become effective immediately upon adoption.

PASSED, this the 7th day of January, 2003.

AYES: 7

NAYS: 0

ABSTENTIONS: 0

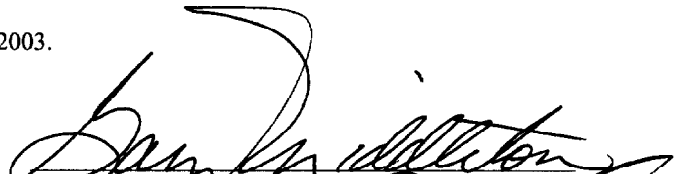
APPROVED AND ADOPTED, this the 7th day of January, 2003.

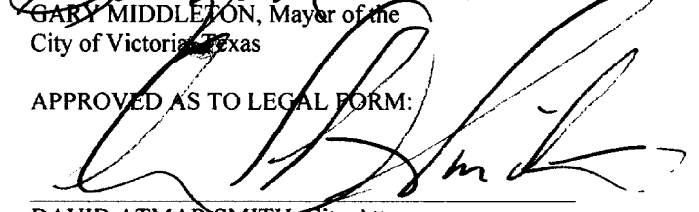


ATTEST:


SCARLET SWOBODA, City Secretary

Distribution: Legal Department
 Personnel Department


GARY MIDDLETON, Mayor of the
City of Victoria, Texas


APPROVED AS TO LEGAL FORM:
DAVID ATMAR SMITH, City Attorney

Copies Sent: January 13, 2003