

**RESOLUTION NO. 2003- 21 R**

**A RESOLUTION OF THE CITY OF VICTORIA, TEXAS, ENDORSING CERTAIN LEGISLATIVE CHANGES TO S.B. 7 SUPPORTED BY SOUTH TEXAS AGGREGATION PROJECT, INC.; AND DECLARING AN EFFECTIVE DATE.**

The City of Victoria, Texas has historically been active in the process of regulation of electric utilities; and

The City is a member of South Texas Aggregation Project, Inc. (STAP) and, as such, made a decision to switch its municipal electric accounts from its incumbent provider to a retail electric provider prior to January 1, 2002; and

The City's experience with electric deregulation during 2002 has been frustrating because of :

1. increased complexity and inefficiencies regarding service quality;
2. numerous account switchover and billing problems;
3. loss of budget and financial accountability regarding electric cost;
4. additional resources needed to manage and reconcile invoices for electricity;
5. current statutory restrictions make aggregation on behalf of citizens impractical
6. the small number of bidders and narrowness of distinction between bids.

The City endorses efforts to modify the electric deregulation legislation to improve competition and reduce costs to the City and its residents.

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

1.

Legislative reforms regarding market power, stranded cost true-up, metering services, citizen aggregation and price to beat fuel factors endorsed by STAP be supported by the City.

2.

A copy of the resolution shall be sent to the elected lawmakers representing the City's interests in the Texas House and Senate and to the Chairman and legal counsel of STAP.

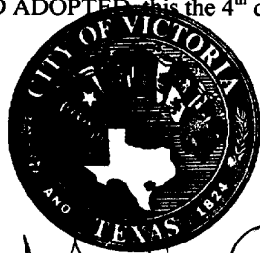
PASSED, this the 4<sup>th</sup> day of February, 2003.

AYES: 6

NAYS: 0

ABSTENTIONS: 0

APPROVED AND ADOPTED, this the 4<sup>th</sup> day of February, 2003.



ATTEST:

*Scarlet Swoboda*  
 SCARLET SWOBODA, City Secretary

Distribution: Legal Department

*Gary Middleton*  
 GARY MIDDLETON, Mayor of the  
 City of Victoria, Texas

APPROVED AS TO LEGAL FORM:  
*David Atmar Smith*  
 DAVID ATMAR SMITH, City Attorney

Copies Sent: **FEBRUARY 5, 2003**