

RESOLUTION 2006-208_R

A resolution of the City of Victoria suspending the effective date of AEP Texas Central Company's requested rate changes to permit the City time to study the request and to establish reasonable rates; approving cooperation with other cities within AEP Texas Central Company's service territory; authorizing intervention in the proceeding at the Public Utility Commission; retaining counsel to represent the City; requiring reimbursement of cities' rate case expenses; requiring notice of this resolution to the Company, and declaring an effective date.

WHEREAS, on or about November 9, 2006, AEP Texas Central Company's affiliated transmission and distribution company ("AEP TCC") filed with the City of Victoria and the Public Utility Commission of Texas ("PUC" or "Commission") a request to change electric transmission and distribution rates in all municipalities within the service territory of AEP Texas Central Company; and

WHEREAS, the increase in electric transmission and distribution rates requested by AEP TCC will affect the residents and businesses located within the municipal limits of the City of Victoria;

WHEREAS, it is in the public interest for the City of Victoria to cooperate with other cities in a review of the Company's application and work with the AEP Cities Steering Committee to coordinate the direction of legal counsel and consultants and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, the Public Utility Regulatory Act grants local regulatory authorities the right to suspend the effective date of proposed rate changes; and

WHEREAS, the Public Utility Regulatory Act grants local regulatory authorities the right to intervene in rate proceedings filed at the Public Utility Commission.

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

1.

That the effective date of the tariff changes submitted by AEP Texas Central Company on or about November 9, 2006, be suspended for 90 days to permit adequate time to review the proposed changes and to establish reasonable rates.

2.

That the City is authorized to cooperate with other cities within the AEP service territory and to work with the AEP Cities Steering Committee regarding the determination of reasonable rates and to participate in any necessary litigation associated with an appeal of a rate ordinance and the rate case filed at the Public Utility Commission.

3.

Subject to the right to terminate employment at any time, the City of Victoria hereby authorizes the hiring of Geoffrey Gay and Steven Porter of the law firm of Lloyd Gosselink Blevins Rochelle & Townsend, P.C., and qualified consultants and witnesses as may be necessary to review AEP's filings, to represent the City of Victoria at the PUC to participate in all settlement discussions that may precede or occur after the Company makes its filing and to prosecute any appeals as directed by the Steering Committee.

4.

Fees and expenses incurred by the City of Victoria in AEP ratemaking matters related to these proceedings shall be promptly reimbursed by AEP TCC pursuant to the Public Utility Regulatory Act.

5.

That the City is authorized to intervene in AEP TCC's rate case filed at the Public Utility Commission on or about November 9, 2006.

6.

That a copy of this suspension be sent to the local representative of AEP Texas Central Company's transmission and distribution company and to Erica Gonzalez, Lloyd Gosselink Blevins Rochelle & Townsend, P.C., fax (512-472-0532) email (egonzalez@lglawfirm.com).

7.

This resolution shall become effective immediately upon adoption.

PASSED, this the 21st day of November, 2006

AYES: 7

NAYS: 0

ABSTENTIONS: 0

APPROVED AND ADOPTED, this the 21st day of November, 2006.



ATTEST:

Scarlet Swoboda
SCARLET SWOBODA, City Secretary

Will Armstrong
WILL ARMSTRONG, Mayor of the
City of Victoria, Texas

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

Distribution: Legal Department
Finance

Copies Sent: NOVEMBER 22, 2006