

RESOLUTION NO. 2017-10-19F

RESOLUTION BY THE CITY OF OVERTON, TEXAS (“CITY”) AUTHORIZING THE CITY TO PARTICIPATE AS PART OF THE CITIES ADVOCATING REASONABLE DEREGULATION (“CARD”) IN PROCEEDINGS RELATED TO SOUTHWESTERN ELECTRIC POWER COMPANY’S (“SWEPCO”) APPLICATION TO RECONCILE FUEL COSTS SUBMITTED ON OR ABOUT AUGUST 28, 2017; AUTHORIZING THE HIRING OF ATTORNEYS AND CONSULTANTS; DIRECTING THE ACTIVITIES OF LAWYERS AND CONSULTANTS REGARDING SWEPCO’S APPLICATION; REQUIRING REIMBURSEMENT OF REASONABLE LEGAL AND CONSULTANT EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; AND MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT

WHEREAS, Southwestern Electric Power Company (“SWEPCO” or “Company”) filed an Application to reconcile fuel costs on or about August 28, 2017; and

WHEREAS, SWEPCO’s proposal asserts it has collected \$4,384,730 more in fuel charges than it incurred in fuel expenses; and

WHEREAS, pursuant to the Public Utility Regulatory Act (“PURA”) § 33.025 the City has standing in each case before the Public Utility Commission of Texas (the “Commission”) that relates to an electric utility providing service in the municipality; and

WHEREAS, the City has the authority under PURA § 33.023 to participate in ratemaking proceedings and engage consultants and attorneys to advise and represent the City and assist in litigation before a regulatory authority, or a court; and

WHEREAS, the electric utility in a ratemaking proceeding shall reimburse the City for the reasonable cost of the services of a person engaged under PURA § 33.023(a) to the extent the applicable regulatory authority determines is reasonable; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating SWEPCO’s fuel reconciliation request it is prudent to coordinate the City’s efforts with a coalition of similarly situated municipalities; and

WHEREAS, the City, in matters regarding applications by SWEPCO to change rates, has in the past joined with other local regulatory authorities to form Cities Advocating Reasonable Deregulation (“CARD”) and hereby continues its participation in CARD; and

WHEREAS, the City will need to review and evaluate SWEPCO’s fuel reconciliation request to exercise its due diligence with regard to SWEPCO’s application.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OVERTON, TEXAS THAT:

SECTION 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

SECTION 2. The City continues its participation with other cities in a coalition of cities known as Cities Advocating Reasonable Deregulation (“CARD”) with the understanding that the Steering Committee of CARD is to provide direction and guidance to Special Counsel representing said cities.

SECTION 3. The City authorizes participation and intervention in proceedings at the Public Utility Commission related to SWEPCO’s fuel-reconciliation case, as well as appeals taken, if any, from the Commission’s decision

SECTION 4. The City employs Herrera & Boyle, PLLC as Special Counsel to represent the City with regard to SWEPCO’s requested fuel reconciliation and related proceedings before local and state regulatory authorities and any court of law and authorizes Special Counsel to employ such rate experts as may be necessary for review and evaluation of SWEPCO’s fuel application.

SECTION 5. The City, in coordination with the Steering Committee, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to SWEPCO for reimbursement.

SECTION 6. SWEPCO shall reimburse the City on a monthly basis, through CARD’s coordinating city, the City of Overton, Texas, for the reasonable costs of attorneys and consultants and expenses related thereto, upon the presentation of invoices reviewed by the City of Overton.

SECTION 7. A copy of this resolution shall be sent to Ms. Jennifer J. Frederick, Regulatory Case Manager, American Electric Power Services Corporation – SWEPCO, 400 West 15th Street, Suite 1520, Austin, Texas 78701; and to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Ave., Suite 950, Austin, Texas 78701.


SECTION 8. The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

SECTION 9. This resolution shall become effective from and after its passage.

DULY PASSED AND APPROVED by the **City Council of the City of Overton, Texas**
ON THE 26th DAY OF OCTOBER, 2017.

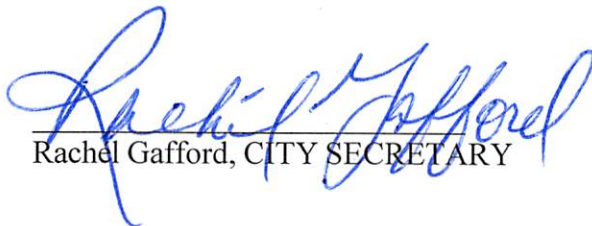


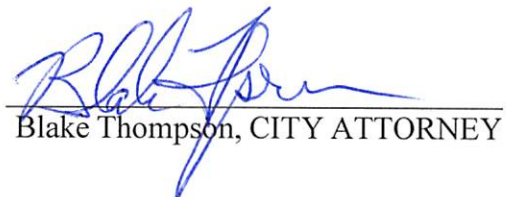
CITY OF OVERTON


C. R. Evans, Jr., MAYOR

ATTEST:

APPROVED AS TO FORM AND LEGALITY:


Rachel Gafford, CITY SECRETARY


Blake Thompson, CITY ATTORNEY