



MEMORANDUM

To: Mayor and City Council

From: Kent Collins, P.E., Deputy City Manager

Date: May 9, 2023

Reference: Consider approval of a Resolution denying a proposed application filed on April 5, 2023, by Texas-New Mexico Power (“TNMP”) to amend its Distribution Cost Recovery Factor (“DCRF”) to increase distribution rates within the city; and authorize the Mayor to sign.

2040: Sustainable City Government

Introduction:

The proposed resolution denies a proposed application filed by TNMP to amend its DCRF and authorize the City to join other cities in pursuing strategies to keep rates in the TNMP service area as low as possible.

Background:

On April 5, 2023, TNMP filed an Application for Approval to Amend its DCRF to increase distribution rates within each of the cities in their service area. In the filing, TNMP is seeking an increase in distribution revenues of \$14,800,834.

The proposed resolution authorizes the City to join with the Cities Served by TNMP (“TNMP Cities”) to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue. The City has 60 days to react to the filing, meaning action must be taken by June 2, 2023.

Benefit to Community:

The proposed resolution will allow the City to work with the TNMP Cities to take the best course of action to keep distribution rates charged by TNMP as low as reasonably possible.

Legal Review:

The City Attorney has reviewed this item.

Fiscal Impact:

There is no fiscal impact associated with this item.

Recommendation:

Staff recommends approval of the resolution.