

## MEMORANDUM

**TO:** Claire Powell, City Manager

**FROM:** Aaron Russell, Director of Public Services

**DATE:** March 2, 2026

**SUBJECT: Approval of a Resolution of the City of Lewisville, Texas Finding That Texas-New Mexico Power Company's Application to Change Rates Within the City Should be Denied; Finding That the City's Reasonable Rate Case Expenses Shall be Reimbursed by the Company; Finding That the Meeting at Which This Resolution is Passed is Open to the Public as Required by Law; Requiring Notice of This Resolution to the Company and Legal Counsel.**

### **BACKGROUND**

On November 14, 2025, Texas-New Mexico Power Company ("TNMP" or "Company") filed an application with cities retaining original jurisdiction seeking to increase system-wide transmission and distribution rates by about \$34 million. The Company asks the City to approve a 6.4% increase in residential rates and an overall increase of 5% in rates. The Company is also proposing a 6.6% decrease for streetlighting customers, but significant increases for commercial customers. Monthly rates would increase by approximately \$5.20 for an average residential customer.

In a prior City action, TNMP's rate request was suspended from taking effect for 90 days, the fullest extent permissible under the law. This time period has permitted the City, through its participation with the Cities Served by Texas-New Mexico Power Company ("Cities"), to determine that the proposed rate increase is unreasonable. Consistent with the recommendations of the experts engaged by Cities, TNMP's request for a rate increase should be denied.

The City of Lewisville is a member of a coalition of cities known alternatively as the Cities Served by TNMP and the Gulf Coast Coalition of Cities (TNMP Cities).

### **ANALYSIS**

The purpose of the resolution is to deny the rate change application proposed by TNMP. Once the Resolution is adopted, TNMP will have 30 days to appeal the decision to the Public Utility Commission of Texas ("PUC"), where the appeal will be consolidated with TNMP's filing (PUC Docket No. 58964) currently pending at the PUC.

All cities with original jurisdiction will need to adopt the resolution by March 19, 2026.

### **Explanation of "Be It Resolved" Paragraphs:**

- Section 1. This paragraph finds that the Company's application is unreasonable and should be denied.
- Section 2. This section states that the Company's current rates shall not be changed.
- Section 3. The Company will reimburse Cities for their reasonable rate case expenses. Legal counsel and consultants approved by Cities will submit monthly invoices that will be forwarded to TNMP for reimbursement.
- Section 4. This section merely recites that the resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.
- Section 5. This section provides TNMP and counsel for Cities will be notified of the City's action through a copy of the approved and signed resolution.

#### **CITY STAFF'S RECOMMENDATION**

That the City Council approve the resolution as set forth in the caption above.