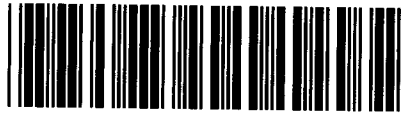


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LELIS UTILITY BOARD  
FILING CLERK



City Secretary's Office  
300 W Walker  
League City, TX 77573

Main: 281.554.1000  
Direct: 281.554.1034  
Fax: 281.554.1020

[www.leaguecity.com](http://www.leaguecity.com)

January 31, 2014

Public Utility Commission of Texas  
Central Records  
P O Box 13326  
Austin, Texas 78711-3326

Enclosed please find a copy of Resolution No. 2014-03 passed and adopted by City Council on January 14, 2014.

Individual copies are being provided for distribution to the following Commissioners as instructed in Section 4 of the resolution:

Public Utility Commission (PUC) Chairman Donna L. Nelson  
Public Utility Commission Commissioner Kenneth W. Anderson, Jr.  
Public Utility Commissioner Brandy D. Marty

Sincerely,

Diana M. Stapp  
City Secretary

665

RESOLUTION NO. 2014-03

A RESOLUTION OF THE CITY OF LEAGUE CITY,  
TEXAS TO EXPRESS OPPOSITION TO THE PUBLIC  
UTILITY COMMISSION'S PROPOSAL TO  
IMPLEMENT A CAPACITY MARKET IN THE STATE  
OF TEXAS

WHEREAS, the State of Texas moved to a competitive market for electricity on January 1, 2002; and;

WHEREAS, the cost to consumers of transitioning away from the regulated market has been \$9.5 billion, and;

WHEREAS, the Public Utility Commission recently proposed requiring Texas ratepayers to subsidize the cost of additional, uneconomic generation by moving away from electric competition and to a capacity market, and;

WHEREAS, a capacity market would force ratepayers to pay for the total generation capacity available, whether or not it is needed or economically viable, at an annual cost of \$3 to \$5 billion per year, added to the existing \$9.5 billion transition cost, and;

WHEREAS, the Public Utility Commission is an unelected regulatory body, while electric competition was passed by the people's representatives in the Texas Legislature, and;

WHEREAS, League City does not operate an electric utility, and its residents currently choose their provider and cost of electricity in the competitive electric market, and;

WHEREAS, League City residents would pay more for electricity in a capacity market.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

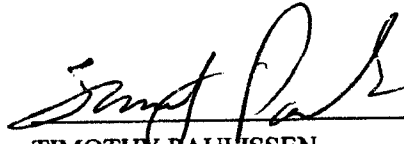
Section 1. The City Council of League City, representing over 88,000 Texans, completely and fully opposes any attempt by the Public Utility Commission to impose a capacity market in the State of Texas.

Section 2. The City Council of League City supports the preservation of a competitive marketplace for electricity in Texas.

Section 3. The City Council of League City opposes any attempt for the Public Utility Commission to re-regulate the electricity market in the State of Texas, as any proposal to change the regulatory structure of the electric market should arise out of the Texas Legislature, and not an unelected regulatory authority.

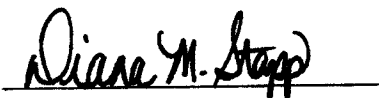
Section 4. Copies of this Resolution shall be immediately transmitted to State Senator Larry Taylor; State Representative Greg Bonnen, Public Utility Commission (PUC) Chairman Donna L. Nelson, PUC Commissioner Kenneth W. Anderson, Jr., and PUC Commissioner Brandy D. Marty.

PASSED AND APPROVED on the 14th day of January, 2014.

A handwritten signature in black ink, appearing to read "Timothy Paulissen", written over a horizontal line.

TIMOTHY PAULISSEN,  
Mayor

ATTEST:

A handwritten signature in black ink, appearing to read "Diana M. Stapp", written over a horizontal line.

DIANA M. STAPP,  
City Secretary