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**Incorporated Cities May Appeal Rate Increases for Nuclear Power**  
***San Antonio City Council Can Expect Fight from Concerned Citizens  
and Stalling of Bond Repayment***

SAN ANTONIO – Concerned residents of incorporated cities who are customers of CPS Energy today announced today plans to appeal rate increases to build the South Texas Nuclear Plant to the Texas Public Utilities Commission. Texas law provides that citizens who live outside the city limits of a municipal utility, because they are not represented by the city council, may appeal a rate increase if they are adversely affected by and oppose the rate change.

“As a resident of Alamo Heights, the San Antonio City Council doesn’t represent me – but their decision on this nuclear project will have a huge negative impact on my electricity rates,” said Margaret Day, resident of Alamo Heights. “If San Antonio goes ahead with this project and approves a 9.5% rate increase this spring, they can expect a fight from people like me that live in incorporated areas.”

An appeal would take a minimum of 180 days and up to two years, during which time CPS Energy’s ability to repay the bonds the city is likely to authorize Thursday would be uncertain, leading to great instability in their pricing and San Antonio’s ability to sell the bonds.

“State law states that in situations like these, municipalities may file a petition with the PUC to oppose the rate increase,” said Karen Seal, attorney and resident of La Coste, another city that could potentially file an appeal. “With a petition of 10,000 concerned citizens or five percent of total ratepayers, incorporated cities could delay San Antonio’s bond repayment by years. The San Antonio experience has shown that the nuclear issue is a powder keg of a public relations issue. Five percent of the ratepayers may sound like a lot, but how difficult do you really think it will be to get people to sign something that says ‘my electricity bills are too high’?”

The City of Hondo has already passed a resolution urging San Antonio and CPS Energy to “not approve the expansion” of STP and to instead pursue renewable energy options. Hondo City Council members were again on hand today to announce that if San Antonio City Council approves the bond issuance on Thursday, they will likely circulate a petition in Hondo to appeal the proposed rate increase this spring.

“In Hondo we’ve already shown that we are willing to take extraordinary measures to oppose nuclear power,” said Mike Sanchez, Hondo City Councilmember. “The fight against this plant by no means ends on Thursday. If San Antonio approves bonds for nuclear, they are going to have a long and rocky road ahead to try and pay them back. If cities like Hondo, Leon Valley, and Alamo Heights appeal forthcoming rate increases without representation, they can’t raise rate in those areas until the appeal goes through. How is San Antonio going to pay back the bonds if they can’t raise rates in incorporated areas?”