



Resolution Suspending the July 31, 2025, Effective Date of Oncor's Requested Rate Change

PRESENTED TO THE CITY COUNCIL ON
JULY 21, 2025

Resolution Suspending Oncor's Effective Date

- What is Oncor?
 - Oncor is a transmission and distribution electric utility that operates in various parts of Texas. Oncor is not a retail electric provider. Oncor operates and maintains the transmission and distribution lines that deliver electricity. Oncor is regulated by the Public Utility Commission and is allowed to charge fees to electricity consumers for the cost of operating and maintaining the transmission and distributions lines.
- Why is the City Involved?
 - Cities have original jurisdiction over the electric rates of transmission and distribution investor-owned utilities such as Oncor.
- What is the Steering Committee of Cities Served by Oncor?
 - The rate setting process is very complex. The Steering Committee is an organization of more than 175 cities in Texas that represents consumer interests in proceedings brought by Oncor. The Steering Committee helps to ensure the rates proposed by Oncor are fair and reasonable. The City is a longtime member of the committee.

Resolution Suspending Oncor's Effective Date

- On June 26, 2025, Oncor filed an application with cities seeking to increase system-wide transmission and distribution rates by about \$834 million or approximately 13% over present revenues.
- Oncor asks the City to approve a 12.3% increase in residential rates and a 51.0% increase in street lighting rates.
- If approved, an average residential customer would see a bill increase of about \$7.90 per month.

Resolution Suspending Oncor's Effective Date

- The Steering Committee of Cities Served by Oncor (“OCSC”), in conjunction with the City, is coordinating its review of Oncor’s application with attorneys and consultants.
- The law provides that a rate request made by an electric utility cannot become effective until 35 days following the filing of the application to change rates. The law permits the City to suspend the rate change for 90 days after the date the rate change would otherwise be effective.
- The proposed resolution suspends the effective date of Oncor’s application and authorizes the City to join with OCSC to evaluate the filing and determine what further strategy to pursue.
- The City must adopt the proposed resolution by July 31, 2025. If the City Council does not take action by July 31st, Oncor’s application will automatically take effect in the City

Resolution Suspending Oncor's Effective Date

Action Requested:

- Approve a resolution suspending the July 31, 2025, effective date of Oncor's requested rate change to permit time to study the request and establish reasonable rates, and approving cooperation with the Steering Committee of Cities Served by Oncor to hire legal and consulting services and to negotiate with the company and direct any necessary litigation and appeals
 - Staff recommends approval of the resolution