
City Council Regular Meeting

DEPARTMENT: Legal

FROM: Matt Ribitzki, Sr. Deputy City Attorney/Legal Services Director

MEETING: July 21, 2025

SUBJECT:

Consider and take possible action on a resolution suspending the July 31, 2025, effective date of Oncor Electric Delivery Company'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 Contact: Matt Ribitzki, Sr. Deputy City Attorney/Legal Services Director)*

SUMMARY:

Oncor Electric Delivery Company ("Oncor" or "the Company") filed an application on or about June 26, 2025 with cities retaining original jurisdiction seeking to increase system-wide transmission and distribution rates by about \$834 million or approximately 13% over present revenues. The Company 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.

The resolution suspends the July 31, 2025 effective date of the Company's rate increase for the maximum period permitted by law to allow the City, working in conjunction with the Steering Committee of Cities Served by Oncor, to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue.

The law provides that a rate request made by an electric utility cannot become effective until at least 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. **If the City fails to take some action regarding the filing before the July 31, 2025 effective date, Oncor's rate request is deemed administratively approved.**

The City is a member of a 170-city coalition known as the Steering Committee of Cities Served by Oncor ("Steering Committee"). The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s when cities served by the former TXU gave up their statutory right to rate case expense reimbursement in exchange for higher franchise fee payments. Empowered by city resolutions and funded by *per capita* assessments, the Steering Committee has been the primary public interest advocate before the Public Utility

Commission, the Courts, and the Legislature on electric utility regulation matters for the last 30 years.

RECOMMENDATION:

Approve the resolution.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

Although Oncor has increased rates many times over the past few years, this is the first comprehensive base rate case for the Company since May 2022.

REFERENCE:

n/a

FISCAL IMPACT:

None.

STAFF CONTACT:

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