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## City Council Regular Meeting

**DEPARTMENT:** Legal

**FROM:** Matt Ribitzki, Deputy City Attorney/Compliance Manager

**MEETING:** October 3, 2022

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**SUBJECT:**

Consider approval of a resolution finding that Oncor Electric Delivery Company LLC'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; and requiring notice of this resolution to the company and legal counsel. *(Staff Contact: Matt Ribitzki, Deputy City Attorney/Compliance Manager)*

**SUMMARY:**

On May 13, 2022, Oncor Electric Delivery Company LLC ("Oncor" or "Company") filed an application with cities retaining original jurisdiction seeking to increase system-wide transmission and distribution rates by about \$251 million or approximately 4.5% over present revenues. The Company asks the City to approve an 11.2% increase in residential rates and a 1.6% increase in street lighting rates. The impact of this requested increase on an average residential customer using 1,300 kWh/month would be about \$6.02 per month.

In a prior City action, Oncor'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 Steering Committee of Cities Served by Oncor ("Steering Committee"), to determine that the proposed rate increase is unreasonable. Consistent with the recommendations of the experts engaged by the Steering Committee, Oncor's request for a rate increase should be denied.

Accordingly, the purpose of the resolution is to deny the rate change application proposed by Oncor. Once the resolution is adopted, Oncor will have 30 days to appeal the decision to the Public Utility Commission of Texas where the appeal will be consolidated with Oncor's filing (i.e. PUC Docket No. 53601) currently pending at the Commission.

The City Council will need to adopt the Resolution prior to October 30, 2022.

**OPTIONS:**

- 1) Approve the resolution finding that Oncor Electric Delivery Company LLC's application to change rates within the City should be denied.
- 2) Deny the resolution finding that Oncor Electric Delivery Company LLC's application to change rates within the City should be denied.

**RECOMMENDATION:**

Staff recommends Option (1) approve the resolution finding that Oncor Electric Delivery Company LLC's application to change rates within the City should be denied.

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

On June 6, 2022, City Council approved of a resolution suspending Oncor Electric Delivery Company's requested rate change to permit the City 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 Oncor.

**FISCAL IMPACT:**

N/A

**STAFF CONTACT:**

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