



Resolution Denying Oncor's Application to Change Rates

PRESENTED TO THE CITY COUNCIL ON
OCTOBER 6, 2025

Resolution Denying Oncor's Application

- 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.

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- 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.

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- On July 21, 2025, the City Council passed a resolution suspending the effective date of Oncor's application for 90 days and authorized the City to join with OCSC to evaluate the filing and determine what further strategy to pursue.
- Steering Committee of Cities Served by Oncor ("OCSC") retained experts to study the application filed by Oncor, and the experts and OCSC determined that the proposed rate increase is unreasonable.
- Accordingly, the purpose of the resolution is to deny the rate change application proposed by Oncor.
- Oncor will have 30 days to appeal the decision to the Public Utility Commission of Texas ("PUC") where the appeal will be consolidated with Oncor's filing (PUC Docket No. 58306) currently pending at the PUC.

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Action Requested:

- Approve the 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; requiring notice of this resolution to the company and legal counsel.
 - Staff recommends approval of the resolution