



TOWN ATTORNEY

To: Mayor and Town Council

From: Terrence S. Welch, Town Attorney

Re: Oncor's Distribution Cost Recovery Factor and Mobile Generation Riders Filing

Town Council Meeting – July 25, 2023

Agenda Item:

Consider and act upon a resolution authorizing the Town to participate with the Oncor Steering Committee of Cities regarding Oncor Electric Delivery Company's filing of an application with the Texas Public Utility Commission to amend its distribution cost recovery factor and to update mobile generation riders and finding that Oncor's proposed rates are unreasonable and are denied.

Description of Agenda Item:

On June 30, 2023, Oncor Electric Delivery Company, LLC ("Oncor" or "Company") filed an application to amend its Distribution Cost Recovery Factor ("DCRF") and update its Mobile Generation Riders to increase distribution rates within each of the cities in its service area. In the filing, the Company asserts it is seeking an increase in distribution revenues of approximately \$152.78 million. The Company is also seeking to update its Rider Mobile Generation and Rider Wholesale Mobile Generation to recover revenue related to mobile generation unit leasing and operation. The Rider would recover approximately \$1.07 million.

The attached resolution authorizes the Town to join with the Steering Committee of Cities Served by Oncor ("OCSC") to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue. Specifically, the resolution addresses the following issues: (1) authorizes the Town to participate with OCSC as a party in the Company's DCRF filing, PUC Docket No. 55190; (2) authorizes the hiring of the Austin law firm of Lloyd Gosselink and consultants to review the filing, negotiate with the Company, and make recommendations to the Town regarding reasonable rates as well as authorizing OCSC Cities to direct any necessary administrative proceedings or court litigation associated with an appeal of the Oncor application filed with the PUC; (3) finds that the Company's application is unreasonable and should be denied and the Company's current rates shall not be changed; (4) requires that the Company reimburse the Cities for their reasonable rate case expenses (legal counsel and consultants approved by the Cities will submit monthly invoices that will be forwarded to Oncor for reimbursement); (5) recites that the attached resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed; and (6) provides that Oncor and counsel for OCSC will be notified of the Town's action by sending a copy of the approved and signed Resolution to counsel.

Budget Impact:

There is no budgetary impact affiliated with this item.

Legal Obligations and Review:

The Town Attorney has prepared the attached resolution.

Attached Documents:

1. Resolution.

Town Staff Recommendation:

The Town Attorney recommends the Town Council approve the attached resolution and after adoption, forward executed copies of the resolution to both Oncor and the attorney for the Cities.

Proposed Motion:

I move to approve the attached resolution authorizing the Town to participate with the Oncor Steering Committee of Cities regarding Oncor Electric Delivery Company's filing of an application with the Texas Public Utility Commission to amend its distribution cost recovery factor and to update mobile generation riders, and further finding that Oncor's proposed rates are unreasonable and are denied.