



CITY COUNCIL AGENDA ITEM BRIEFING SHEET

Council Date: October 25, 2022	Department: Legislative	Presented By: City Manager
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AGENDA ITEM:

Discussion/Action: Consider approval of a resolution denying Oncor’s requested electric rate increase.

BACKGROUND:

Oncor Electric Delivery Company ("Oncor" or "the Company") filed an application on or about May 13, 2022 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 asked the City to approve an 11.2% increase in residential rates and a 1.6% increase in street lighting rates. If approved, a residential customer using 1,300 kWh per month would see a bill increase of about \$6.02 per month. The City of Willow Park previously suspended the June 17, 2022 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. 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.

Passage of the attached resolution will deny Oncor’s rate increase request. Staff recommends adopting the resolution.

Please see the attached memorandum for further explanation.

STAFF/BOARD/COMMISSION RECOMMENDATION:

Move that the City Council approve the Resolution denying Oncor Electric Delivery Company’s Application for approval of a distribution cost recovery factor to increase distribution rates with the City.

EXHIBITS:

Resolution

ADDITIONAL INFO:	FINANCIAL INFO:	
	Cost	
	Source of Funding	
	General Fund	

Memorandum

TO: The Honorable Mayor, Doyle Moss
Members of City Council
Bryan Grimes, City Manager

FROM: Pat Chesser, City Attorney

DATE: October 13, 2022

RE: Statement of Intent to Increase Rates Suspension Packet

*****ACTION MUST BE TAKEN TO SUSPEND THE EFFECTIVE DATE ON OR BEFORE OCTOBER 30, 2022*****

Purpose:

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 asked 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.

All cities with original jurisdiction will need to adopt the Resolution *prior to October 30, 2022*.

Explanation of “Be It Resolved” Sections:

1. This paragraph finds that the Company’s application is unreasonable and should be denied.
2. This section states that the Company’s current rates shall not be changed.
3. The Company will reimburse Cities for their reasonable rate case expenses. Legal counsel and consultants approved by Cities will submit monthly invoices that will be forwarded to Oncor for reimbursement.

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4. This section merely recites that the resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.
5. This section provides Oncor and counsel for Cities will be notified of the City's action by sending a copy of the approved and signed resolution to counsel.