

Mayor and Council Communication

DATE: 08/08/23

M&C FILE NUMBER: M&C 23-0643

LOG NAME: 21ONCOR ELECTRIC DELIVERY RATE INCREASE DCRF FILING 2023

SUBJECT

(ALL) Adopt Attached Ordinance Denying Application for Approval to Amend its Distribution Cost Recovery Factor Proposed by Oncor Electric Delivery Company LLC and Authorizing Steering Committee of Cities Served by Oncor to Retain Law Firm and Consultants to Evaluate the Application

RECOMMENDATION:

It is recommended that City Council:

1. Adopt the attached ordinance denying the Application for Approval to Amend its Distribution Cost Recovery Factor rate filed by Oncor Electric Delivery Company LLC on June 29, 2023; and
 2. Authorize the City Manager to cooperate with other cities in the Steering Committee of Cities served by Oncor Electric Delivery Company LLC to hire and direct legal counsel, Lloyd Gosselink Rochelle & Townsend, P.C. and consultants, to permit adequate time to review the filing and identify adjustments that should be made to the Application for Approval to Amend the Distribution Cost Recovery Factor.
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DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take action to deny an Application for Approval to Amend its Distribution Cost Recovery Factor (DCRF) filed by Oncor Electric Delivery Company LLC.

On June 29, 2023, Oncor Electric Delivery Company, LLC (Oncor) filed an Application to Amend its Distribution Cost Recovery Factor and update its Mobile Generation Riders to increase distribution rates within each of the cities in its service area. In the filing, Oncor asserts it is seeking an increase in distribution revenues of approximately \$152.78 million and an update to 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.

Under state law, the City of Fort Worth (City) has original jurisdiction over the rates, operations, and services of Oncor in the City. Therefore, state law also allows a municipality's governing body, with original jurisdiction, 60 days to act on the application. Furthermore, the City's Charter grants the City Council the power by ordinance to fix and regulate the rates of all public utilities in the City.

It is recommended that the City Council adopt the attached Ordinance to deny the effectiveness of the rates and that the City work with the Steering Committee of Cities served by Oncor (Steering Committee) and its legal and technical consultants to assist the City in reviewing the DCRF application and making such a determination. The cost of the direct legal counsel and consultant is covered by the City's annual membership of the Steering Committee.

In accordance with state law and pursuant to the Settlement Agreement between Oncor and the Steering Committee, ratified by City Council February 28, 2006 (Resolution No. 3316-02-2006, M&C G-15096), Oncor is required to reimburse the Steering Committee for reasonable consultant and other regulatory costs associated with this review.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations have no material effect on City Funds.

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