

Mayor and Council Communication

DATE: 10/11/22

M&C FILE NUMBER: M&C 22-0823

LOG NAME: 21ONCOR ELECTRIC DELIVERY RATE CHANGE 2022

SUBJECT

(ALL) Adopt Ordinance Denying the Application of Oncor Electric Delivery Company LLC to Increase System Wide Transmission and Distribution Rates

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance denying the application of Oncor Electric Delivery Company LLC to increase system wide transmission and distribution rates.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to adopt the attached ordinance denying the proposed increase to system-wide transmission and distribution rates by Oncor Electric Delivery Company LLC and finding that such increase is unreasonable and excessive.

On May 13, 2022, Oncor Electric Delivery Company LLC (Oncor) 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 percent over present revenues. Oncor asks the City of Fort Worth to approve an 11.2 percent increase in residential rates and a 1.6 percent increase in street lighting rates. The impact of this requested increase on an average residential customer using 1,300 kilowatt-hours per month would be about \$6.02 per month.

On August 14, 2022 the City took action to suspended Oncor's rate request 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.

The consultants identified numerous expenses as being proposed rates as unreasonable and excessive. Accordingly, the Steering Committee's attorneys recommend that all members, including the City of Fort Worth, deny the rate change application proposed by Oncor. Once the Ordinance 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.

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 this recommendation will have no material effect on City funds.

Submitted for City Manager's Office by: Dana Burghdoff 8018

Originating Business Unit Head: Steve Cooke 5134

Additional Information Contact: Juanita Rigsby 8518