



1 Trophy Wood Drive, Trophy Club, TX 76262 | 682.237.2900 | info@trophyclub.org | trophyclub.org

To: Mayor and Town Council

From: Wade Carroll, Town Manager

CC: Anita Otterson, Interim Town Secretary

**Re: Suspend the June 17, 2022 effective date of the Company's (Oncor) rate increase for the maximum period permitted by law.
Town Council Meeting, June 14, 2022**

Agenda Item:

Consider and take appropriate action authorizing a resolution to suspend the June 17, 2022 effective date of the Company's rate increase for the maximum period permitted by law to allow the Town, 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.

Strategic Link:

Exercise fiscal discipline.

Background and Explanation

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 asks 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 resolution suspends 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.

The law provides that a rate request made by an electric utility cannot become effective until at least 35 days following the filing of the application to change rates. The law permits the City to suspend the rate change for 90 days after the date the rate change would otherwise be

effective. **If the City fails to take some action regarding the filing before the effective date, Oncor's rate request is deemed administratively approved.**

The Town of Trophy Club is a member of a 169-city coalition known as the Steering Committee of Cities Served by Oncor ("Steering Committee"). The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s when cities served by the former TXU gave up their statutory right to rate case expense reimbursement in exchange for higher franchise fee payments. Empowered by city resolutions and funded by *per capita* assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, the Courts, and the Legislature on electric utility regulation matters for the last 30 years.

Although Oncor has increased rates many times over the past few years, this is the first comprehensive base rate case for the Company since March 2017.

Financial Considerations:

N/A.

Legal Review:

N/A

Board/Commission/Committee Recommendation:

N/A

Staff Recommendation:

Staff recommends authorization of the resolution suspending the effective date of June 17, 2022.

Attachments:

- Resolution 2022-05

Mayor Alicia L. Fleury or designee