

# City of Mesquite, Texas

## Legislation Details (With Text)

<b>File #:</b>	22-6229	<b>Version:</b>	1	<b>Name:</b>	Resolution - Oncor Rate Increase 2022
<b>Type:</b>	Agenda Item	<b>Status:</b>	Passed		
<b>File created:</b>	9/15/2022	<b>In control:</b>	City Council		
<b>On agenda:</b>	10/3/2022	<b>Final action:</b>	10/3/2022		
<b>Title:</b>	A resolution finding that Oncor Electric Delivery Company, LLC's application to change rates within the City should be denied, finding that the City's reasonable rate case expenses shall be reimbursed by the Company, finding that the meeting at which this Resolution is passed is open to the public as required by law and requiring notice of this Resolution to the Company and legal counsel.				

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution, 2. Resolution No. 24-2022, 3. List of Oncor Steering Committee Cities

Date	Ver.	Action By	Action	Result
10/3/2022	1	City Council	Approved	Pass

A resolution finding that Oncor Electric Delivery Company, LLC's application to change rates within the City should be denied, finding that the City's reasonable rate case expenses shall be reimbursed by the Company, finding that the meeting at which this Resolution is passed is open to the public as required by law and requiring notice of this Resolution to the Company and legal counsel.

On May 13, 2022, Oncor Electric Delivery Company, LLC, (Oncor) filed an application with the Texas Public Utilities Commission (PUC) seeking to increase system-wide transmission and distribution rates by \$251 million or approximately 4.5 percent over present revenues. The Company requested City approval of an 11.2 percent increase in residential rates and a 1.6 percent increase in street lighting rates. If approved, a residential customer consuming 1,300 kWh of electricity per month would see a monthly bill increase of about \$6.02. Although Oncor has increased various tariffs like the Energy Efficiency Cost Recovery Factor many times over the past few years, this is the first comprehensive base rate case for the Company since March 2017.

At the June 6, 2022, City Council meeting, the City Council passed Resolution No. 24-2022, to suspend the effective date of the Company's rate increase as allowed by State law in order to allow more time for the City, working in conjunction with the Steering Committee of Cities Served by Oncor (OCSC), to conduct a thorough review of the rate filing. Based on this review, OCSC attorneys recommend that all members with original jurisdiction pass a resolution to deny the rate change. Once the proposed resolution is adopted, Oncor will have 30 days to appeal the decision to the PUC where the appeal will be consolidated with Oncor's filing (PUC Docket No. 53601).

Mesquite is one of 162 area cities that are members of the OCSC coalition and City staff serves on the Executive Committee of the OCSC. This coalition was formed 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. Since then, OCSC has been the primary public interest advocate before the PUC, the courts and the Legislature on electric utility regulation matters for the last 30 years. Under State law, cities with original jurisdiction over this matter have 125 days from the initial filing to take final action on the rate application. By

agreement of the parties, this deadline was suspended until October 30, 2022, and as such, all cities with original jurisdiction will need to adopt resolutions to deny the rate change no later than October 30, 2022.

**Recommended/Desired Action**

Staff recommends approval of the resolution.

**Attachment(s)**

Resolution

Resolution No. 24-2022

List of Oncor Steering Committee Cities

**Drafter**

Ted Chinn

**Head of Department**

Ted Chinn