

# City of Mesquite, Texas

## Legislation Text

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**File #:** 21-5371, **Version:** 1

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A resolution finding that Oncor Electric Delivery Company LLC's application for approval to amend its Distribution Cost Recovery Factor to increase distribution rates within the City should be denied; authorizing participation with Oncor Cities Steering Committee, authorizing the hiring of legal counsel and consulting services, 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 April 8, 2021, Oncor Electric Delivery Company LLC, (Oncor) filed an application for approval to amend its Distribution Cost Recovery Factor (DCRF) to increase distribution rates with each of the cities in their service area. This is Oncor's fourth filing under a law adopted by the Legislature in 2011 that allows electric utilities to file expedited, limited rate review cases. In this filing, Oncor is seeking an increase in distribution revenues of \$97,826,277.

Public Utility Commission of Texas rules allow cities with original jurisdiction up to 60 days to take action on this application, which is June 7, 2021.

The proposed resolution would deny the proposed rate increase to allow Oncor Cities Steering Committee (OCSC) rate case experts adequate time to evaluate Oncor's DCRF filing to determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue. The City is a member of OCSC.

Last year, the Company had requested \$75 million and the City denied that request as well. OCSC attorneys were able to reach a settlement with Oncor to reduce last year's revenue request by \$6 million. In the two DCRF filings prior to that, OCSC attorneys were able to reduce Oncor's revenue requests by 14 percent and 20 percent, saving consumers another \$8 million.

It's anticipated that OCSC attorneys will reach a similar settlement in this rate case, and if that were to occur, no further action would be required by the City Council to accept a settlement.

### **Recommended/Desired Action**

Staff recommends approval of the resolution.

### **Attachment(s)**

Resolution

### **Drafter**

Ted Chinn

### **Head of Department**

Ted Chinn