



MEMORANDUM

To: Mayor and City Council

From: Kent Collins, P.E., Deputy City Manager

Date: October 14, 2025

Reference: Consider approval of a Resolution finding that Oncor Electric Delivery Company LLC's Application to Change Rates within the City shall be Denied; that the City's Reasonable Rate Case expenses should be reimbursed by Oncor; that this Meeting is Open to the Public as Required by Law; requiring notice to Oncor and to Legal Counsel; and authorizing the Mayor to Sign all Documents.

2040: Sustainable City Government

Introduction:

This item is presented to consider adoption of a Resolution finding that Oncor's Application to Change Rates within the City are unreasonable and excessive, as preliminary analysis by the Steering Committee of Cities served by Oncor has shown, and shall be denied; and that the City's Reasonable Rate Case expenses should be reimbursed by Oncor.

Background:

Oncor Electric Delivery Company ("Oncor" or "the Company") filed an application on or about June 26, 2025 with cities retaining original jurisdiction seeking to increase system-wide transmission and distribution rates by about \$834 million or approximately 13% over present revenues. The Company asks the City to approve a 12.3% increase in residential rates and a 51.0% increase in street lighting rates. If approved, an average residential customer would see a bill increase of about \$7.90 per month.

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. Coppell City Council took action on July 8, 2025 to suspend the rate case to allow time for analysis of the application. 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.

Although Oncor has increased rates many times over the past few years, this is the first comprehensive base rate case for the Company since May 2022. The purpose of the proposed Resolution is to deny the rate change application proposed by Oncor. After the Resolution is adopted, Oncor will have 30 days to appeal the decision to the Public Utility Commission of Texas (“PUC”) where the appeal will be consolidated with Oncor’s filing (PUC Docket No. 58306) currently pending at the PUC.

Note that Oncor will reimburse the Cities for reasonable rate case expenses. Legal counsel and consultants approved by the Steering Committee will submit monthly invoices that will be forwarded to Oncor for reimbursement.

Benefit to Community:

The proposed resolution will keep rates charged by Oncor as low as reasonably possible for Coppell residents.

Legal Review:

The City Attorney has reviewed this item.

Fiscal Impact:

There is no fiscal impact associated with this item.

Recommendation:

Staff recommends approval of the resolution.