



MEMORANDUM

To: Mayor and City Council

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

Date: July 25, 2023

Reference: Consider approval of a Resolution denying a proposed application filed on June 29, 2023, by Oncor Electric Delivery Company LLC (Oncor) to amend its Distribution Cost Recovery Factor (DCRF) and Update Mobile Generation Riders, to increase distribution rates within the city; to authorize participation in the matter with the Cities Served by Oncor (OCSC); and authorizing the Mayor to sign.

2040: Sustainable City Government

Introduction:

The proposed resolution denies a proposed application filed by Oncor to amend its DCRF and update its mobile generation riders to increase distribution rates; and authorize the City to join other cities in pursuing strategies to keep rates in the Oncor service area as low as possible.

Background:

On June 30, 2023, Oncor filed an application to Amend its DCRF and Update its Mobile Generation Riders to increase cost recovery within each of the cities in its service area. In the filing, Oncor asserts it is seeking an increase in distribution revenues of approximately \$152.78 million. Oncor is also seeking to update its Rider Mobile Generation and Rider Wholesale Mobile Generation to recover revenue related to mobile generation unit leasing and operation. The Riders would recover approximately \$1.07 million.

OCSC has engaged the services of a consultant to review Oncor's filing. The consultant will review the filing and identify adjustments that should be made to the Oncor request. The Public Utility Commission's rules allow cities 60 days to act on this application. That deadline is August 28, 2023.

The proposed resolution authorizes the City to join with the OCSC to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue.

Benefit to Community:

The proposed resolution will allow the City to work with the OCSC Cities to take the best course of action to keep distribution rates charged by Oncor as low as reasonably possible.

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.