



MEMORANDUM

To: Mayor and City Council

From: Mike Land, City Manager

Date: April 23, 2020

Reference: Consider approval of a Resolution denying a proposed application filed on April 3, 2020 by Oncor Electric Delivery Company to amend its Distribution Cost Recovery Factor (“DCRF”) to increase distribution rates within the city, and authorizing the Mayor to sign.

Introduction:

On April 3, 2020, Oncor Electric Delivery Company LLC (“Oncor” or “Company”) filed an Application for Approval to Amend its Distribution Cost Recover Factor (“DCRF”) to increase distribution rates with each of the cities in their service area. In the filing, the Company sought to increase distribution rates by \$75.9 million annually (an approximately \$0.88 increase to the average residential customer’s bill).

The resolution authorizes the City to join with the Steering Committee of Cities Served by Oncor (“OCSC”) to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue. The purpose of the Resolution is to deny the DCRF application proposed by Oncor.

Analysis:

Explanation of “Be It Resolved” Paragraphs:

1. This section authorizes the city to participate with OCSC as a party in the Company’s DCRF filing in PUC Docket No. 50734.
2. This section authorizes the hiring of Lloyd Gosselink and consultants to review the filing, negotiate with the Company, and make recommendations to the City regarding reasonable rates. It also authorizes OCSC to direct any necessary administrative proceedings or court

litigation associated with an appeal of this application filed with the Commission.

3. This paragraph finds that the Company's application is unreasonable and should be denied.
4. This section states that the Company's current rates shall not be changed.
5. The Company will reimburse OCSC for its reasonable rate case expenses. Legal counsel and consultants approved by OCSC will submit monthly invoices that will be forwarded to Oncor for reimbursement.
6. This section merely recites that the resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.
7. This section provides Oncor and counsel for OCSC will be notified of the City's action by sending a copy of the approved and signed resolution to counsel.

Legal Review:

The agenda item was submitted by Thomas Brocato, Attorney with Lloyd Gosselink Rochelle & Townsend, P.C. with review by Bob Hager.

Fiscal Impact:

None.

Recommendation:

Approval recommended.