

RESOLUTION NO. 2016-06-___ (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, DIRECTING ONCOR ELECTRIC DELIVERY COMPANY, LLC TO FILE CERTAIN INFORMATION WITH THE CITY OF MCKINNEY; SETTING A PROCEDURAL SCHEDULE FOR THE GATHERING AND REVIEW OF NECESSARY INFORMATION IN CONNECTION THEREWITH; SETTING DATES FOR THE FILING OF THE CITY'S ANALYSIS OF THE COMPANY'S FILING AND THE COMPANY'S REBUTTAL TO SUCH ANALYSIS; RATIFYING THE HIRING OF LEGAL COUNSEL AND CONSULTANTS; RESERVING THE RIGHT TO REQUIRE THE REIMBURSEMENT OF THE CITY OF MCKINNEY'S RATE CASE EXPENSES; SETTING A PUBLIC HEARING FOR THE PURPOSES OF DETERMINING IF THE EXISTING RATES OF ONCOR ELECTRIC DELIVERY COMPANY ARE UNREASONABLE OR IN ANY WAY IN VIOLATION OF ANY PROVISION OF LAW AND THE DETERMINATION BY THE CITY OF MCKINNEY OF JUST AND REASONABLE RATES TO BE CHARGED BY ONCOR ELECTRIC DELIVERY COMPANY, LLC

WHEREAS, the City Council of the City of McKinney, Texas, is a regulatory authority under the Public Utility Regulatory Act ("PURA") and has original jurisdiction over the rates of Oncor Electric Delivery Company, LLC ("Oncor") to determine if such rates are just and reasonable; and

WHEREAS, Sections 33.021, 36.003 and 36.151 of PURA empower a regulatory authority, on its own motion or on a complaint by any affected person, to determine whether the existing rates of any public utility for any service are unreasonable or in any way in violation of any provision of law, and upon such determination, to determine the just and reasonable rates; and

WHEREAS, the City of McKinney has reason to believe that Oncor is over-earning and its rates are excessive; and

WHEREAS, the City of McKinney is a member of the Steering Committee of Cities Served by Oncor; and

WHEREAS, the Executive Committee of the Steering Committee of Cities Served by Oncor has recommended that cities pass a Resolution that requires Oncor to show cause why its transmission and distribution rates should not be reduced; and

WHEREAS, the City of McKinney, and the City Council of the City of McKinney desires, on its own motion, to exercise its authority under Sections 33.021, 36.003 and 36.151 of PURA; and is a member of the Steering Committee of Cities Served By Oncor; and

WHEREAS, a procedural schedule should be established for the filing of certain information by Oncor, procedures to be followed to obtain and review information from Oncor, the filing of an analysis of such information by the City, the filing of rebuttal information from Oncor, and a public hearing at which time the City shall make a determination whether the existing rates of Oncor are unreasonable or are in any way in violation of any provision of law, and if such rates should be revised, and just and reasonable rates determined for Oncor.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:

Section 1. This Resolution constitutes notice of the City's intent to proceed with an inquiry into the transmission and distribution rates charged by Oncor. On or before September 1, 2016, Oncor shall file with the City of McKinney

information that demonstrates good cause for showing that Oncor's transmission and distribution rates should not be reduced. Specifically, Oncor shall file with the City of McKinney information for the test year beginning January 1, 2015 and ending December 31, 2015, regarding Oncor's cost of service elements, including, but not limited to, the elements detailed by the Public Utility Commission as necessary for the filing of a Statement of Intent to Change Rates. The test year may be updated for more current data and shall be adjusted for known and measureable changes.

- Section 2. City's designated representatives shall have the right to obtain additional information from Oncor through the filing of requests for information, which shall be responded to within fifteen (15) days from the receipt of such request for information.
- Section 3. City's designated representatives shall file their analysis of Oncor's filing and information on or before October 13, 2016.
- Section 4. Oncor shall file any rebuttal to the analysis of City's representatives on or before November 10, 2016. With its rebuttal, Oncor may present whatever additional information it desires to defend its current rates.
- Section 5. A public hearing shall be conducted by the City Council for the City of McKinney during a regular council meeting scheduled between November 15 and December 15. At such hearing a representative of Oncor and a representative of the City of McKinney's consultants will each be allowed to address the City Council and summarize previously filed reports for no more than 15 minutes. Based upon such hearing, a determination of the reasonableness of the existing rates of Oncor shall be made by the City Council and, if necessary, just and reasonable rates shall be determined to be thereafter observed and enforced for all services of Oncor within the City of McKinney, Texas.
- Section 6. The City Council may, from time to time, amend this procedural schedule and enter additional orders as may be necessary in the public interest and to enforce the provisions hereof.
- Section 7. Subject to the right to terminate employment at any time, the City of McKinney hereby ratifies the Steering Committee's selection of Geoffrey Gay with the law firm of Lloyd, Gosselink, Rochelle & Townsend as legal counsel to assist the City of McKinney in its ratemaking and to prosecute any appeals to the Texas Public Utility Commission or court. The Executive Committee of the Steering Committee of Cities Served by Oncor shall retain appropriate consultants to prepare a report and make rate recommendations.
- Section 8. Fees and expenses of attorneys and consultants assisting the City in the Steering Committee's review of the reasonableness of Oncor's rates will be processed through the Steering Committee but the City reserves the right to seek reimbursement from Oncor pursuant to the PURA Section 33.023.
- Section 9. That it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given all as required by Section 551.041, Texas Government Code.
- Section 10. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, ON THE 7TH DAY OF JUNE, 2016.

CITY OF MCKINNEY, TEXAS

BRIAN LOUGHMILLER
Mayor

ATTEST:

SANDY HART, TRMC, MMC
City Secretary
DENISE VICE, TRMC
Assistant City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney