



17-708

TITLE: Consider/Discuss/Act on a Resolution of the City of McKinney, Texas Finding that Oncor Electric Delivery Company LLC's ("Oncor" or "Company") Application to Change Rates Within the City Should be Denied; 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; Requiring Notice of this Resolution to the Company and Legal Counsel

COUNCIL GOAL: Financially Sound Government & Operational Excellence

MEETING DATE: July 18, 2017

DEPARTMENT: City Manager's Office

CONTACT: Trevor Minyard, Assistant to the City Manager

RECOMMENDED CITY COUNCIL ACTION:

- Staff recommends approval of this resolution.

ITEM SUMMARY:

- The City, along with 158 other cities served by Oncor Electric Delivery Company LLC ("Oncor" or "Company") is a member of the Steering Committee of Cities Served by Oncor ("Steering Committee").
- In March, the Steering Committee engaged the services of three consultants, Mr. Lane Kollen, Mr. Richard Baudino, and Mr. Karl Nalepa, to review the Company's filing. The consultants identified numerous unreasonable expenses and propose significant reductions to the Company's request.
- Accordingly, the Steering Committee's attorneys recommend that all members adopt the Resolution denying the rate change. Once the Resolution is adopted, Oncor will have 30 days to appeal the decision to the Public Utility Commission of Texas where the appeal will be consolidated with Oncor's filing (i.e. PUC Docket No. 46957) currently pending at the Commission.

BACKGROUND INFORMATION:

- On March 17, 2017, Oncor filed an application to change rates with cities retaining original jurisdiction. In the filing, the Company seeks to increase system-wide transmission and distribution rates by \$317 million or approximately 7.5% over present revenues. The Company asks the City to approve an 11.8% increase in residential rates and a 0.5% increase in street lighting rates. If approved, a residential customer using 1000 kWh per month would see a bill increase of about \$6.68 per month.

FINANCIAL SUMMARY:

- Residential customers of Oncor throughout McKinney could see increased bills based on individual usage.

BOARD OR COMMISSION RECOMMENDATION:

- N/A

SUPPORTING MATERIALS:

[Resolution](#)

[Model Staff Report](#)