



18-419

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 for Approval of a Distribution Cost Recovery Factor Pursuant to 16 Tex. Admin. Code Should § 25.243 to Increase Distribution 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 ("OCSC").
- Generally, Oncor will petition for a rate increase each year. This request for an increase is the beginning of a negotiating process to set the Oncor rates for member cities.
- 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.
- Accordingly, the OCSC's attorneys recommend that all members adopt the Resolution denying the request. Once the Resolution is adopted, the City is authorized to participate with the Steering Committee as a party in the

Company's DCRF filing, PUC Docket No. 48231.

- Any action necessary as a result of future rate change requests will be presented to Council.

BACKGROUND INFORMATION:

- On April 5, 2018, Oncor Electric Delivery Company LLC ("Oncor" or "Company") filed an Application for Approval of a Distribution Cost Recover Factor ("DCRF") to Increase Distribution Rates with each of the cities in their service area. In the filing, the Company asserts that it is seeking an increase in distribution revenues of \$19,002,177.

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](#)