



19-0443

TITLE: Consider/Discuss/Act on a Resolution of the City of McKinney, Texas Finding that Oncor Electric Delivery Company LLC's Application for Approval to Amend its Distribution Cost Recovery Factor Pursuant to 16 Tex. Admin. Code § 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: May 21st, 2019

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").
- Accordingly, the Steering Committee's attorneys recommend that all members adopt the Resolution denying Application for Approval to Amend its Distribution Cost Recover Factor ("DCRF") to Increase Distribution Rates with each of the cities in their service area.
- A description of the various sections of the attached resolution are below:
 - This section authorizes the City to participate with OCSC as a party in the Company's DCRF filing, PUC Docket No. 49427.
 - This section authorizes the hiring of Lloyd Gosselink Rochelle and Townsend, PC and consultants to review the filing, negotiate with the Company, and make recommendations to the City regarding reasonable rates. Additionally, it authorizes OCSC to direct any necessary

administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.

- This paragraph finds that the Company's application is unreasonable and should be denied.
- This section states that the Company's current rates shall not be changed.
- The Company will reimburse Cities for their reasonable rate case expenses. Legal counsel and consultants approved by OCSC will submit monthly invoices that will be forwarded to Oncor for reimbursement.
- This section 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
- This section provides that 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.

BACKGROUND INFORMATION:

- On April 8, 2019, 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 asserts that it is seeking an increase in distribution revenues of \$29,433,804.
- 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.

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](#)