

Thursday, February 10, 2011

Item(s) to Set Public Hearing(s) RECOMMENDATION FOR COUNCIL ACTION

Item No. 32

Subject: Set a Public Hearing to consider an ordinance regarding a proposal from Oncor Electric Delivery Company to increase customer electric rates. (Suggested date and time: March 10, 2011, 4:00 p.m. at Austin City Hall, 301 W. Second Street, Austin, TX).

For More Information: Rondella M. Hawkins, Manager, Office of Telecommunications & Regulatory Affairs; (512) 974-2422

On January 7, 2011, Oncor Electric Delivery Company, LLC ("Oncor"), filed a Statement of Intent with the City of Austin and all of the Texas cities it serves, and it simultaneously filed with the Public Utility Commission of Texas to increase its rates to deliver electricity, beginning on February 14, 2011.

The City of Austin has exclusive original jurisdiction over the rates pursuant to Section 33.001 of the Texas Utilities Code.

Oncor has requested a total increase in revenue of \$353 million, which is an estimated 12.6 percent increase in state-wide residential delivery rates. The increase would mean about \$5.00 more per month for an average residential customer.

There are approximately 609 residential customers in the City of Austin that could be impacted by the rate increase. These customers are in an area generally located north of Howard Lane, south of Wells Branch Parkway, west of I-35 and east of Loop 1.

The City is authorized under §36.108 of the Texas Utilities Code to suspend the effective date of an increase in electric rates for 90 days, or until May 13, 2011, in order to evaluate the effect of such a rate increase and to determine whether the rates are appropriate, fair, just and reasonable to ratepayers.