

## A G E N D A



## Recommendation for Council Action

|                     |         |       |               |     |
|---------------------|---------|-------|---------------|-----|
| Austin City Council | Item ID | 70648 | Agenda Number | 13. |
|---------------------|---------|-------|---------------|-----|

|               |           |             |                                    |
|---------------|-----------|-------------|------------------------------------|
| Meeting Date: | 5/11/2017 | Department: | Telecommunications and Reg Affairs |
|---------------|-----------|-------------|------------------------------------|

## Subject

Set a public hearing regarding Oncor Electric's proposal to increase customer electric utility rates. (Suggested date and time August 10, 2017; 4:00 p.m. at City Hall; 301 W. Second Street, Austin, TX).

## Amount and Source of Funding

## Fiscal Note

|  |   |
|--|---|
| Purchasing Language:                             |   |
| Prior Council Action:                            | Ninety day suspension of Oncor Electric's effective date for rate increase was approved by Council on April 13, 2017. |
| For More Information:                            | Rondella M. Hawkins, TARA Officer; (512) 974-2422   |
| Council Committee, Boards and Commission Action: |   |
| MBE / WBE:                                       |   |
| Related Items:                                   |   |

## Additional Backup Information

On March 17, 2017, Oncor Electric Delivery Company, LLC ("Oncor"), filed for a rate review with all of the Texas cities it serves, and it simultaneously filed with the Public Utility Commission of Texas (PUC) to increase its transmission and distribution rates to deliver electricity, beginning on April 21, 2017. Oncor's last rate review and increase was in 2011.

Pursuant to Section 33.001 of the Texas Utilities Code, the City has original jurisdiction over the rates, operations and services of Oncor in Austin. Oncor is seeking to increase rates by approximately \$317 million over rates currently in place, or approximately 7.5% over present revenues. There are approximately 1,100 customers (860 residential and 250 commercial customers) in the City of Austin that could be impacted by the rate increase. These customers are in an area generally north of Howard Lane, south of Wells Branch Parkway, west of I-35 and east of Loop 1.

Residential customers would see an 11.8% increase in rates. If approved, a residential customer using 1,300 kWh per month would see a bill increase of about \$6.68 per month.

On April 13, 2017 Council approved an ordinance to suspend the effective date of an increase in rates for 90 days until July 20, 2017 to permit staff working in conjunction with a coalition of cities served by Oncor Electric Delivery adequate time to evaluate the justification and reasonableness of the filing. Oncor then delayed the effective date by another 30 days to August 19, which allows the City to conduct the public hearing at the August 10, 2017 meeting.

Article XI of the City Charter requires that City Council conduct a public hearing before taking action on the proposed rates.