

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	73171	Agenda Number	47.
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Meeting Date:	8/17/2017	Department:	Telecommunications and Reg Affairs
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Subject

Approve an ordinance denying proposed changes by Oncor Electric Delivery Company LLC to its electric rates within the city limits and providing notice of this ordinance to Oncor Electric Delivery Company LLC.

Amount and Source of Funding

Fiscal Note

There is no anticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	On April 13, 2017, Council suspended the effective date of the proposed rate increase by 90 days.
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” or “Company”) filed an application to increase its rates for customers in the City of Austin. 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 monthly bill increase of about \$6.68.

On April 13, 2017, Council approved an ordinance to suspend the effective date of the proposed rate increase by 90 days to provide additional time to evaluate the proposed increase.

The City, along with 158 other cities served by Oncor, 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 rate increase filing. The consultants identified numerous unreasonable expenses and proposed significant reductions to the Company's request. Accordingly, the Steering Committee's attorneys recommend that all members deny the rate increase. Once the denial 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.

Under the law, cities with original jurisdiction over this matter have 125 days from the initial filing to take final action on the application. By the agreement of the parties, this deadline was suspended until August 19, 2017. As such, since the City has original jurisdiction, Council will need to adopt the Ordinance no later than August 19.

City staff recommends that Council approve adoption of the ordinance denying the proposed rate increase by Oncor.