

AGENDA INFORMATION SHEET
ITEM NO. RES-1335

**APPLICATION FOR AUTHORITY TO INCREASE RATES
SUBMITTED BY ONCOR ELECTRIC DELIVERY COMPANY LLC ON
ABOUT JUNE 26, 2025**

BACKGROUND

On or about June 26, 2025, Oncor Electric Delivery Company LLC (“Oncor” or “Company”) filed a Statement of Intent to increase its revenues by approximately \$833.6 million, which equates to a net increase of approximately 13.0% in Oncor’s overall revenue. Oncor proposes to implement its proposed increase in rates effective July 31, 2025. For a Residential customer using 1,000 kWh per month, their bill would increase by about \$7.00 per month.

The City must take action on Oncor’s application by no later than July 31, 2025. Failure to take action by July 31, 2025, will result in Oncor’s proposed rates being deemed approved by operation of law.

Table 1 below shows the impact Oncor’s proposed increase in revenue would have on a customer-class basis.

TABLE 1

Rate Class	No. of Customers	Present Revenues	Proposed Change	Proposed Revenues	Pct Change
		(a)	(b)	(c)	(d)
Residential	3,462,111	\$2,580,905,272	\$317,904,421	\$2,898,809,693	12.3%
Secondary <= 10 kW	287,174	\$93,725,157	-\$860,323	\$92,864,834	-0.9%
Secondary > 10 kW	234,639	\$1,756,680,019	\$185,355,399	\$1,942,035,417	10.6%
Primary DL <= 10 kW	3,135	\$1,756,235	\$2,765,049	\$4,521,284	157.4%
Primary > 10 kW Dist. Line	7,018	\$381,413,705	\$82,980,877	\$464,394,582	21.8%
Primary > 10 kW Substation	163	\$78,526,823	\$21,136,368	\$99,663,191	26.9%
Transmission	340	\$210,042,143	\$66,414,244	\$276,456,387	31.6%
Lighting	<u>51,221</u>	<u>\$64,581,935</u>	<u>\$32,942,469</u>	<u>\$97,524,404</u>	<u>51.0%</u>
	4,045,801	\$5,167,631,289	\$708,638,504	\$5,876,269,793	13.7%
Wholesale Substation	18	\$1,796,211	\$148,164	\$1,944,375	8.2%
Wholesale DLS	52	\$8,861,401	-\$75,971	\$8,785,429	-0.9%

Other Revenue	-	\$68,238,685	\$12,775,644	\$81,014,329	18.7%
	4,045,871	\$5,246,527,585	\$721,486,341	\$5,968,013,926	13.8%
Network Transmission Revenue		1,737,120,067	\$174,336,145	\$1,911,456,212	10.0%
Transmission Related Other Revenues		\$46,131,717	\$0	\$46,131,717	0.0%
Total Cost of Service		\$7,029,779,369	\$895,822,486	\$7,925,601,855	12.7%
Less Affiliate NTS (in TCRF)		\$619,650,986	\$62,187,740	\$681,838,726	10.0%
Net Total Cost of Service		\$6,410,128,383	\$833,634,746	\$7,243,763,129	13.0%

REPRESENTATION AND PARTICIPATION IN ALLIANCE OF ONCOR CITIES (“AOC”):

The law firm of Herrera Law & Associates, PLLC has previously represented the City and its participation in the coalition of cities named the “Alliance of Oncor Cities” (“AOC”) in rate matters involving Oncor, including Oncor’s most recent general rate case, and the numerous interim rate increases Oncor has submitted. The accompanying Resolution authorizes retention of Herrera Law & Associates as Special Counsel and continued participation in the AOC coalition.

INTERVENTION AT THE PUBLIC UTILITY COMMISSION OF TEXAS

Oncor filed its Statement of Intent to raise rates with the City and with the Public Utility Commission of Texas (“PUCT”) on the same date, June 26, 2025. Oncor’s application poses complex regulatory issues that require time so as to evaluate the merits of Oncor’s proposed increase in rates. It is important to participate in these proceedings because the Commission’s decisions could impact rates within the City. Thus, the accompanying Resolution authorizes intervention in proceedings at the Commission as well as any appeals taken from the Commission’s decision.

RATE CASE EXPENSES

Cities, by statute, are entitled to recover their reasonable rate case expenses from the utility. Legal counsel and consultants approved by the City will submit monthly invoices to the City designated by AOC to serve as the “coordinating” city, who will then forward invoices to Oncor for reimbursement; that city historically has been Corsicana. No individual city’s budget is negatively affected. The accompanying Resolution directs Oncor to reimburse AOC’s rate case expenses on a monthly basis based on presentation of invoices from the cities.

SUSPENSION

Oncor's rate-filing package is voluminous, containing over five thousand pages of data, in a 12-volume package of data. To have time to review the rate-filing package, the Council is requested to suspend Oncor's proposed effective date for ninety (90) days. It is a virtual impossibility for the City to set just and reasonable rates without suspending the rate request for ninety days; suspension of Oncor's proposed effective date would permit its special regulatory counsel and experts an opportunity to perform a better review of Oncor's application and request additional information as necessary to fully evaluate the proposal and determine the most appropriate response. During the suspension period, the City will retain its right to dismiss Oncor's Statement of Intent if the City determines that Oncor failed to properly invoke the City's jurisdiction or if Oncor failed to provide adequate notice. The suspension period also allows time to attempt to resolve matters by agreement with Oncor, or to determine whether to deny Oncor's request and either adopt an increase different than that requested by Oncor, or deny it outright without adopting an alternative increase.

Note that action to suspend Oncor's proposed effective date by the statutorily allowed period of 90 days is not final action on Oncor's application to increase rates. The City will need to take final action on the merits of Oncor's request no later than October 29, 2025, which is the end of the suspension period.

RECOMMENDATION

It is recommended that the City suspend Oncor's proposed effective date for 90 days from July 31, 2025, Oncor's proposed effective date for its requested increase in rates. Absent an extension agreed to by Oncor and the City, the suspension period runs through October 29, 2025.

It is also recommended that the City continue its participation in AOC, intervene in proceedings at the PUCT and any related proceedings and/or appeals, and to retain the law firm of Herrera Law & Associates, PLLC to represent the City's interest in matters related to Oncor's rate case and to advise the City with regard to Oncor's application, and to retain consultants subject to approval by the AOC executive committee to assist Special Counsel in its review of Oncor's application to increase rates.

The City must take action no later than July 31, 2025. If the City does not take action by July 31, 2025, Oncor's proposed rates will be deemed approved by operation of law, subject to the City's right to hold a hearing to address Oncor's rate application.