



## SUSPENDING THE EFFECTIVE DATE OF ONCOR'S RATE CHANGE

RS-17-042

April 4, 2017

# Oncor Requested Rate Change

## □ Background

- Cities have original jurisdiction over electric provider rates.
- Providers must submit a request to each city for rate changes.
- The City is a member of the Oncor Steering Committee, which provides regulatory guidance and assistance in rate matters.

# Oncor's Requested Rate Change

## □ Oncor's Filing

- Filed an application for a system-wide rate increase on March 17, 2017.
- Calls for an overall increase of \$317 million.
  - An 11.8% increase in residential rates, or approximately \$6.68 for a typical customer.
  - A 0.5% increase in street light rates.
- To be effective April 21, 2017.

# Options

- Do nothing
  - ▣ The rates become effective April 21, 2017, by operation of law without full analysis by the Steering Committee as to reasonableness or any attempts to negotiate a lesser increase.
- Suspend the effective date
  - ▣ State law allows a rate case to be suspended for 90 days.
  - ▣ The Steering Committee has time to study the request, make recommendations to the cities and negotiate a lesser increase.
- Deny the request
  - ▣ Oncor will appeal to the PUC. If other cities suspend or negotiate a different rate, Killeen would be alone in the case before the PUC.
  - ▣ Denying is still a later option even if the request is suspended.

# Recommendation

- The Steering Committee and staff recommend suspending the rate case to provide time for a thorough review of the request and negotiations with Oncor.
- This action delays the effective date and results in no fiscal impact to the city.
- Steering Committee expenses are reimbursed by Oncor.