



DENIAL OF ONCOR APPLICATION FOR INCREASE

RS-20-044

May 12, 2020

Background

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- The City has regulatory authority for rates and charges of electricity distribution within its boundaries.
- The city is a member of the Oncor Cities Steering Committee (OCSC), a coalition of cities served by Oncor to collectively review and respond to electric issues.

Oncor's Request

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- On April 3, 2020, Oncor filed an Application for Approval to Amend its Distribution Cost Recovery Factor, seeking an increase of \$75,889,531 in distribution revenues across its service area.
- The average residential increase would be \$0.88 per month.

Process

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- Public Utility Commission rules allow 60 days to act on the application, which is insufficient time to fully review and negotiate.
- If cities deny the application, Oncor will almost certainly appeal to the PUC.

Alternatives

- Approve the application, which will result in increased rates for citizens of Killeen served through Oncor's distribution system.
- Deny the application, as recommended by OCSC attorneys, and pursue a reasonable settlement directly with Oncor or through administrative proceedings before the PUC. Rates remain the same until any appeal is resolved.

Conclusion

Staff and the OCSC recommend that the City Council deny Oncor's Application for Approval to Amend its Distribution Cost Recovery Factor.