



DENY ONCOR DCRF APPLICATION

RS-21-066

May 18, 2021

Background

- State law provides that cities have regulatory authority over the rates and charges of electric utilities.
- The city participates as a member of the Oncor Cities Steering Committee (OCSC), a coalition of cities served by Oncor Electric Delivery Company.
 - OCSC reviews and responds to electric issues affecting rates before the Public Utility Commission (PUC) and in the courts.

DCRF

3

- On April 8, 2021, Oncor filed an Application for Approval to Amend its Distribution Cost Recovery Factor (DCRF).
 - Would increase distribution rates within the service area, including the City of Killeen.
 - System-wide increase of \$97,826,277.

DCRF Review

4

- PUC rules allow cities 60 days to act on an application.
- After preliminary review, OCSC attorneys recommend denying the application.
- Additional time will allow OCSC to further evaluate, determine the application's compliance with law, and decide on the appropriate resolution, to include possible settlement.

Alternatives

5

- Do nothing
- Approve the application
- Deny the application
 - If denied, rates will not change while the application remains pending.

Recommendation

6

- Staff and the OCSC recommend that the City Council deny Oncor's application to amend its Distribution Cost Recovery Factor and authorize the city's participation with OCSC.