

RESOLUTION NO. _____

RESOLUTION BY THE CITY OF DENTON, TEXAS (“CITY”) DENYING THE APPLICATION TO INCREASE RATES SUBMITTED BY ONCOR ELECTRIC DELIVERY COMPANY LLC ON OR ABOUT MARCH 17, 2017; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; AND MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Oncor Electric Delivery Company LLC (“Oncor” or “Company”) filed a Statement of Intent with the City on or about March 17, 2017 to increase its revenues by approximately \$317 million, which equates to an overall increase of approximately 7.5% in revenue; and

WHEREAS, Oncor proposes to implement its proposed increase in rates on or about April 21, 2017, and

WHEREAS, on or before April 21, 2017, the City took action to suspend Oncor’s proposed effective date of April 21, 2017 for the statutorily allowed period of ninety (90) days, to July 20, 2017; and

WHEREAS, Oncor agreed to extend the deadline for final City action from July 20, 2017 to August 19, 2017; and

WHEREAS, Oncor failed to establish that its overall revenue request resulted in no more than an amount that will permit Oncor a reasonable opportunity to earn a reasonable return on the utility’s invested capital used and useful in providing service to the public in excess of the utility’s reasonable and necessary operating expenses; and

WHEREAS, Oncor failed to establish that its proposed rates were just and reasonable; and

WHEREAS, the City has previously: 1) suspended Oncor’s proposed rate increase by 90 days; 2) authorized intervention in proceedings related to Oncor’s proposed rate increase as a member of the coalition of cities known as the Alliance of Oncor Cities (“AOC”); 3) directed Oncor to reimburse Oncor’s rate case expenses; and 4) retained the law firm of Herrera & Boyle, PLLC with respect to rate proceedings involving Oncor before the Public Utility Commission of Texas and courts of law and to retain consultants to review Oncor’s rate application subject to AOC’s approval. NOW THEREFORE

THE CITY COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

SECTION 2. Oncor failed to show that its proposed rates are just and reasonable.

SECTION 3. The City hereby **DENIES** Oncor’s request to increase rates and in support thereof finds that:

- a) The Statement of Intent fails to provide sufficient information to justify the requested increase in revenue or to justify the changes set forth in the attached tariffs; and
- b) The Statement of Intent fails to provide sufficient information to justify the adoption of the rate base, expenses, investment, return on equity, and other rate issues.

SECTION 4. As a courtesy, a copy of this resolution shall be sent to Mr. Stephen N. Ragland, Vice President-Regulatory, Oncor, 1616 Woodall Rodgers Expressway, Dallas, Texas, 75202; and to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Ave., Suite 1250, Austin, Texas 78701.

SECTION 5. The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

SECTION 6. This resolution shall become effective from and after its passage.


PASSED AND APPROVED this _____ day of _____, 2017.

CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, INTERIM CITY ATTORNEY

BY:  _____