

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Aaron Russell, Director of Public Services

DATE: October 20, 2025

SUBJECT: **Approval of a Resolution of the City of Lewisville, Texas Finding That Oncor Electric Delivery Company LLC's Application to Change Rates Within the City Should Be Denied; Finding That the City's Reasonable Rate Case Expenses Shall be Reimbursed by the Company; Finding that the Meeting at Which This Resolution is Passed, is Open to the Public as Required by Law; Requiring Notice of This Resolution to the Company and Legal Counsel.**

BACKGROUND

On June 26, 2025, Oncor Electric Delivery Company LLC ("Oncor" or "Company") filed an application with cities retaining original jurisdiction seeking to increase system-wide transmission and distribution rates by about \$834 million or approximately 13% over present revenues. The Company asks the City to approve a 12.3% increase in residential rates and a 51.0% increase in street lighting rates. If approved, the impact of this requested increase on an average residential customer would be about \$7.90 per month.

In a prior City action, Oncor's rate request was suspended from taking effect for 90 days, the fullest extent permissible under the law. This time period has permitted the City, through its participation with the Steering Committee of Cities Served by Oncor ("Steering Committee"), to determine that the proposed rate increase is unreasonable. Consistent with the recommendations of the experts engaged by the Steering Committee, Oncor's request for a rate increase should be denied.

Accordingly, the purpose of the Resolution is to deny the rate change application proposed by Oncor. Once the Resolution is adopted, Oncor will have 30 days to appeal the decision to the Public Utility Commission of Texas ("PUC") where the appeal will be consolidated with Oncor's filing (PUC Docket No. 58306) currently pending at the PUC.

All cities with original jurisdiction will need to adopt the Resolution by **October 29, 2025**.

ANALYSIS

The City of Lewisville is a member of a 170-city coalition known as the Steering Committee of Cities Served by Oncor ("Steering Committee"). The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s when cities served by the former TXU gave up their statutory right to rate case expense reimbursement in exchange for higher franchise fee payments. Empowered by city resolutions and funded by per capita

assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, the Courts, and the Legislature on electric utility regulation matters for the last 30 years.

Although Oncor has increased rates many times over the past few years, this is the first comprehensive base rate case for the Company since May 2022.

The following is a summary of the proposed resolution by section:

- Section 1. This paragraph finds that the Company's application is unreasonable and should be denied.
- Section 2. This section states that the Company's current rates shall not be changed.
- Section 3. The Company will reimburse Cities for their reasonable rate case expenses. Legal counsel and consultants approved by the Steering Committee will submit monthly invoices that will be forwarded to Oncor for reimbursement.
- Section 4. This section merely recites that the resolution was passed at a meeting that was open to the public and that the consideration of the Resolution was properly noticed.
- Section 5. This section provides Oncor and counsel for the Steering Committee will be notified of the City's action through a copy of the approved and signed resolution.

CITY STAFF'S RECOMMENDATION

That the City Council approve the resolution as set forth in the caption above.