



**CITY COUNCIL COMMUNICATION**

October 28, 2008

**SUBJECT:** Oncor Electric Company's Requested Rate Increase  
**SUBMITTED BY:** Vicki Rodriguez, Finance Director  
**REFERENCE NO:** Resolution No. 08-1294

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**ACTION REQUESTED:**

Consider Resolution No. 08-1294 finding that Oncor Electric Company's requested increases to its electric transmission and distribution rates and charges within the City of Euless should be denied.

**ALTERNATIVES:**

- Do Not Approve Resolution

**SUMMARY OF SUBJECT:**

On or about June 27, 2008, Oncor Electric Delivery Company ("Company") filed with the City of Euless ("City") a Statement of Intent to increase electric transmission and delivery rates by \$275 million on a system-wide basis within its service area effective August 12, 2008.

The City lawfully suspended the August 12, 2008, effective date by resolution to provide time to study the reasonableness of the Company's application to increase rates.

The City is a member of the Oncor Cities Steering Committee and has cooperated with 145 similarly situated city members to conduct a review of the Company's application, to hire and direct legal counsel and consultants, to prepare a common response to the filing, to negotiate with the Company and to direct any necessary litigation appealing final city action.

The Oncor Steering Committee's consultants evaluated the merits of the Company's application and determined that the Company's requested \$275 million increase in revenues for its transmission and distribution system is not supported by evidence and is found to be unreasonable and should be denied.

**FINANCIAL CONSIDERATIONS:**

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

**SUPPORTING DOCUMENTS:**

- Resolution No. 08-1294

**APPROVED BY:**

\_\_\_\_\_ **LG** \_\_\_\_\_

City Manager's Office

\_\_\_\_\_ **SC** \_\_\_\_\_

City Secretary's Office