File #: 25-2169, **Agenda Item #:** 66. 10/23/2025

Posting Language

Conduct a public hearing and consider an ordinance relating to the Statement of Intent to Increase Rates filed by Oncor Electric Delivery Company LLC (Oncor) for electric service; authorizing the City's ongoing participation in the proceedings before the Public Utility Commission of Texas related to the proposed rate increase; authorizing engagement with counsel and consultants for the Alliance of Oncor Cities, including authorizing settlement of the rate case; requiring reimbursement by Oncor of rate case expenses; and providing notice of the ordinance to Oncor. Funding: This item has no fiscal impact.

Lead Department

Austin Financial Services.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

July 24, 2025- Council approved the suspension of Oncor's proposed rate increase for 90 days and authorized staff to join the Alliance of Oncor Cities, a coalition of cities participating in proceedings related to the proposed rate increase before the Public Utilities Commission of Texas (PUCT).

For More Information:

Marija Norton, CPA, Controller, 512-974-2951; Kim Euresti, CPA, Deputy Controller, 512-974-2232.

Additional Backup Information:

On June 26, 2025, Oncor filed a Statement of Intent to Increase Rates (Statement of Intent) with the City and other Texas municipalities it serves. In the filing, the Company seeks to increase system-wide revenues by about $834 million, which equates to a net increase of approximately 13.0 percent over Oncor's current revenue. Oncor's rate filing seeks the City's approval for a 12.3 percent increase in residential rates and a 51 percent increase in street lighting rates. If approved, a typical residential Oncor customer using 1,000 kilowatt-hours per month would see a monthly bill increase of about $7.00. The proposed increase would affect approximately 1,416 Oncor customers (1,156 residential and 260 commercial) in the City, primarily in the area north of Howard Lane, south of Wells Branch Parkway, west of I-35, and east of Loop 1. The last rate case filing made by Oncor was in 2022.

Municipalities have exclusive, original jurisdiction over an electric utility's rates, services, and operations within a city's boundaries, but the PUCT has appellate jurisdiction over rate-setting decisions a city makes. Therefore, Oncor may appeal the City's decision to the PUCT.

On July 24, 2025, the City suspended the effective date of Oncor's requested rate increase for 90 days. At the same time, the City: (1) authorized intervention in proceedings before the PUCT related to Oncor's proposed rate increase as a member of the coalition of cities known as the Alliance of Oncor Cities (AOC); (2) directed Oncor to reimburse rate case expenses; and (3) authorized representation by the law firm of Herrera Law and Associates, PLLC with respect to rate proceedings involving Oncor before the PUCT, including exploration of a settlement of the case, and courts of law and to retain consultants to review Oncor's rate application, all subject to AOC's approval.

While AOC's consultants are continuing their review, their preliminary assessment is that Oncor's proposed increase is not warranted and is too high. Accordingly, staff recommend that the City deny Oncor's requested revenue increase and rate changes. The City's denial would preserve current rates for Oncor's Austin customers. This decision would likely be appealed by Oncor and consolidated with ongoing proceedings at the PUCT, where AOC would continue its evaluation and the PUCT will issue the final order.

The City must take final action by October 29, 2025. If no action is taken by that date, Oncor's proposed rates will take effect on October 29, 2025 by operation of law.