ORDINANCE NO. ____________

AN ORDINANCE DENYING A RATE INCREASE PROPOSED BY ONCOR ELECTRIC DELIVERY SERVICE LLC (ONCOR) FOR ELECTRIC SERVICE; AUTHORIZING THE CITY'S ONGOING PARTICIPATION IN THE PROCEEDINGS BEFORE THE PUBLIC UTILITY COMMISISON OF TEXAS RELATED TO THE PROPOSED RATE INCREASE; AUTHORIZING ENGAGEMENT WITH COALITION COUNSEL AND CONSULTANTS, INCLUDING SETTLEMENT AUTHORITY; REQUIRING REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; AND PROVIDING NOTICE OF THIS ORDINANCE TO ONCOR.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Council makes the following findings:

(A) On June 26, 2025, Oncor filed for a rate review with the City and the other Texas municipalities it serves and with the Public Utility Commission of Texas (PUCT) to increase its rates and proposed to implement its proposed increase in rates on or about July 31, 2025.

(B) The City is the regulatory authority under the Texas Utilities Code Section 33.001 and has exclusive original jurisdiction over Oncor's rates, operations, and services within the municipality.

(C) On July 24, 2025, the City passed Ordinance No. 20250724-028 suspending the effective date of the rate increase for 90 days in order to evaluate the effect of the increase and to determine, by conducting hearings, if necessary, whether the rates are appropriate, fair, just, and reasonable, as authorized by Texas Utilities Code Section 36.108

(D) The City coordinated its efforts with a coalition of similarly situated municipalities known as the Alliance of Oncor Cities (AOC) and other impacted cities.

(E) The City conducted a public hearing concerning the change in electric rates proposed by Oncor on October 23, 2025. The City accepted input from stakeholders and members of the public.

(F) Oncor failed to establish that its overall revenue request would result in no more than an amount that permits 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.

(G) Oncor failed to establish that its proposed rates, return on equity, and proposed overall rate of return are just and reasonable.

PART 2. In accordance with its authority under Chapter 33 of the Texas Utilities Code, the City finds that the rates proposed by Oncor in its Statement of Intent to be recovered from customers located within the City limits are unfair, unjust, and unreasonable, and therefore, the proposed rates are hereby denied.

PART 3. Council directs the city manager to continue to work with AOC, represented by the law firm of Herrera Law & Associates, PLLC and experts and consultants to advise and assist the City and AOC in exercising regulatory authority over Oncor's rates, including continued participation in the PUCT's consideration of Oncor's rate filing.

PART 4. Council authorizes Herrera Law & Associates, PLLC, with the participation and approval of the city manager, to negotiate and settle the proceedings at the PUCT related to this rate increase request.

PART 5. Notice of this ordinance shall be provided to Oncor.

PART 6. In accordance with Texas Utilities Code Section 33.023, Oncor is directed to reimburse all municipal rate case expenses incurred by the City in relation to the filing.

PART 7. This ordinance takes effect on ________________, 2025.

PASSED AND APPROVED

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___________________________, 2025 § __________________________________
Kirk Watson
Mayor

APPROVED: _____________________ **ATTEST:** __________________________
Deborah Thomas — City Attorney
Erika Brady — City Clerk