RESOLUTION NO. R-2025-281

RESOLUTION BY THE CITY OF ROUND ROCK, TEXAS ("CITY") DENYING ONCOR ELECTRIC DELIVERY COMPANY LLC'S APPLICATION TO INCREASE RATES RELATED TO ONCOR'S STATEMENT OF INTENT TO INCREASE RATES FILED ON OR ABOUT JUNE 26, 2025; REQUIRING THE REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, Oncor Electric Delivery Company LLC ("Oncor" or "Company") filed a Statement of Intent with the City on or about June 26, 2025, to increase its revenues; and

WHEREAS, Oncor's proposed increase in rates would result in an increase of approximately \$833.6 million in its annual revenue, which equates to an overall increase in revenue of approximately 13.0%; and

WHEREAS, the City is a regulatory authority under the Public Utility Regulatory Act ("PURA") and under Chapter 33, §33.001 et seq. of PURA has exclusive original jurisdiction over Oncor's rates, operations, and services within the municipality; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating Oncor's rate request and its changes in tariffs the City coordinated its efforts with a coalition of similarly situated municipalities known as the Alliance of Oncor Cities ("AOC") and other cities; 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, Oncor failed to establish that its proposed return on equity and its proposed overall rate of return is 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; (3) directed Oncor to reimburse AOC's rate case expenses; and (4) retained the law firm of Herrera Law & Associates, PLLC with respect to rate proceedings involving Oncor before the City, 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, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK, TEXAS THAT:

- **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 of **DENIAL** finds that:
 - a) Oncor failed in its burden of proof to establish that its requested increase in revenue or the changes set forth in its tariffs attached to Oncor's Statement of Intent to increase rates, results in just and reasonable rates;
 - b) Oncor failed in its burden of proof to establish that adoption of its proposed rate base, expenses, investment, return on equity, rate of return, and other rate issues as presented in Oncor's Statement of Intent to increase rates, result in just and reasonable rates.
- **Section 4.** The City authorizes its continued intervention and full participation, including settlement negotiations, in proceedings related to Oncor's Statement of Intent before the Public Utility Commission of Texas and related proceedings in courts of law and participation in the coalition of cities known as the Alliance of Oncor Cities.

Section 5. The City hereby orders Oncor to reimburse the City's rate case expenses as

provided in the Public Utility Regulatory Act and that Oncor shall continue to do so on a

monthly basis and within 30 days after submission of the AOC's invoices for the AOC's

reasonable costs associated with the City's activities related to this rate review or to related

proceedings involving Oncor before the City, the Public Utility Commission of Texas, or

any court of law.

Section 6. The City, in coordination with the AOC, delegates to the City Manager

and/or the City Attorney, or designee of such office, review of the invoices of the lawyers

and rate experts for reasonableness before submitting the invoices to Oncor for

reimbursement.

Section 7. A copy of this resolution shall be sent to Mr. Matt Henry, Vice President,

General Counsel, Oncor, 1616 Woodall Rodgers Expressway, Dallas, Texas, 75202; Mr.

Robert Schmidt, Regulatory Manager, Oncor/Regulatory Financial, 1616 Woodall

Rodgers Expressway, Dallas, Texas, 75202; and to Mr. Alfred R. Herrera, Herrera Law &

Associates, PLLC, 4400 Medical Pkwy, Austin, Texas 78756.

Section 8. 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 9. This resolution supersedes any prior inconsistent or conflicting resolution

or ordinance.

Section 10. This resolution shall become effective from and after its passage.

PASSED AND APPROVED this 23rd day of October, 2025.

	CRAIG MORGAN, Mayor	
	City of Round Rock, Texas	
ATTEST:		

ANN FRANKLIN, City Clerk