

RESOLUTION NO. 11-2

**RESOLUTION BY THE CITY OF COMMERCE, TEXAS ("CITY")
SUSPENDING THE EFFECTIVE DATE FOR NINETY DAYS IN
CONNECTION WITH THE RATE INCREASE FILING OF ONCOR
ELECTRIC DELIVERY COMPANY LLC ON JANUARY 7, 2011;
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 January 7, 2011 to increase its system-wide, annual revenue requirement, by approximately \$353 million, its system-wide residential base rates by approximately 15%, and Lighting rates by approximately 26% increase, and seeks a vegetation-management surcharge to recover revenues in the amount of approximately \$34.6 million above actual expense; 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 it is prudent to coordinate the City's efforts with a coalition of similarly situated municipalities; and

WHEREAS, the City, in matters regarding applications by Oncor to change rates, has in the past joined with other local regulatory authorities to form the Alliance of Oncor Cities ("AOC"), formerly known as the "Alliance of TXU/Oncor Cities" ("ATOC"), and hereby continues its participation in AOC; and

WHEREAS, rate request consists of a voluminous amount information including Oncor's rate-filing package, pre-filed direct testimony, exhibits, schedules, and workpapers; and

WHEREAS, Oncor proposed February 14, 2011 as the effective date for its requested increase in rates; and

WHEREAS, it is not possible for the City to complete its review of Oncor' filing; and

WHEREAS, the City will need an adequate amount of time to review and evaluate Oncor's rate application to enable the City to adopt a final decision as a local regulatory authority with regard to Oncor's requested rate increase.

WHEREAS, the City will require the assistance of specialized legal counsel and rate experts to review the merits of Oncor's application to increase rates; and

WHEREAS, the decision of the Public Utility Commission of Texas will have a direct impact on the City and its citizens who are customers of Oncor and in order for the City's participation to be meaningful it is important that the City promptly intervene at the Docket No. 38929 pending at the Public Utility Commission of Texas.

Formatted: Line spacing: single

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE, 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's proposed effective date for its proposed increase in rates is hereby **SUSPENDED** for ninety days beyond February 14, 2011.

Section 3. The statutory suspension period may be further extended if Oncor does not provide timely and meaningful, and proper public notice of its request to increase rates, or if its rate-filing package is materially deficient.

Section 4. The City shall participate in a coalition of cities known as the Alliance of Oncor Cities and authorizes intervention in proceedings related to Oncor's Statement of

Intent before the Public Utility Commission of Texas and related proceedings in courts of law; and

Section 5. The City hereby orders Oncor to pay the City's rate case expenses as provided in the Public Utility Regulatory Act and that Oncor shall do so on a monthly basis and within 30 days after submission of the City's invoices for the City'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. Subject to the right to terminate employment at any time, the City retains and authorizes the law firm of Herrera & Boyle, PLLC to act as Special Counsel with regard to rate proceedings involving Oncor before the City, the Public Utility Commission of Texas, or any court of law and to retain such experts as may be reasonably necessary for review of Oncor's rate application subject to approval by the steering committee of the AOC.

Section 7. The City, in coordination with the Steering Committee, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to Oncor for reimbursement.

Section 8. A copy of this resolution shall be sent to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Ave., Suite 1250, Austin, Texas 78701, and to the local Oncor representative.

Section 9. 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 10. This resolution shall become effective from and after its passage.

PASSED AND APPROVED this 18 day of January, 2011.

Quay Throgmorton
Mayor

ATTEST:

Marty C. Lane
City Secretary