



AGENDA
WATAUGA CITY COUNCIL
SPECIAL MEETING
WEDNESDAY, MAY 29, 2019
CITY HALL COUNCIL CHAMBER, 7105 WHITLEY ROAD
5:30 PM

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE United States and Texas Flags

DISCUSSION AND APPROVAL OF MEETING AGENDA

1. Consideration and action on approval of meeting agenda

NEW BUSINESS

1. Consideration and action on a resolution of the City of Watauga, Texas finding that Oncor Electric Delivery Company LLC's application for approval to amend its distribution cost recovery factor pursuant to 16 Tex. Admin. Code Subsection 25.243 to increase distribution rates within the City should be denied; finding that the City's reasonable rate case expenses shall be reimbursed by the company.

ADJOURNMENT

NOTICE

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (817) 514-5825, OR FAX (817) 514-3625.

I, Terri Johnson, Interim City Secretary for the City of Watauga, hereby certify that this agenda was posted on the bulletin boards at City Hall, 7105 Whitley Road, Watauga, Texas, on Wednesday, May 22, 2019 before 5:30 p.m., in accordance with Chapter 551 of the Texas Government Code.

Terri Johnson
Terri Johnson, Interim City Secretary





AGENDA MEMORANDUM

DATE: May 20, 2019
TO: Honorable City Council Members
FROM: Andrea Gardner, City Manager
SUBJECT: Consideration and action on approval of meeting agenda

BACKGROUND/INFORMATION:

FINANCIAL IMPLICATIONS:

RECOMMENDATION/ACTION DESIRED:

ATTACHMENTS/ SUPPORTING DOCUMENTATION:

None

REVIEWED BY:

Andrea Gardner, City Manager

Final Approval - 5/22/2019

Approved as to form for inclusion on Agenda



AGENDA MEMORANDUM

DATE: May 20, 2019

TO: Honorable City Council Members

FROM: Andrea Gardner, City Manager

SUBJECT: Consideration and action on a resolution of the City of Watauga, Texas finding that Oncor Electric Delivery Company LLC's application for approval to amend its distribution cost recovery factor pursuant to 16 Tex. Admin. Code Subsection 25.243 to increase distribution rates within the City should be denied; finding that the City's reasonable rate case expenses shall be reimbursed by the company.

BACKGROUND/INFORMATION:

On April 8, 2019, Oncor Electric Delivery Company LLC filed an application for Approval to Amend its Distribution Cost Recover Factor (DCRF) to increase distribution rates with each of the cities in their service area. In the filing the Company asserts that it is seeking an increase in distribution revenues of \$29,433,804. The attached resolution authorizes the City to join with the Steering Committee of Cities served by Oncor to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue. The purpose of the resolution is to deny the DCRF application proposed by Oncor.

This filing is Oncor's second DCRF filing under a law adopted in 2011 allowing electric utilities to file limited issue, limited review cases. Oncor Steering Committee of Cities has engaged a consultant to review the Company's filing and identify adjustments that should be made to the Company's request. The Commission's rules allow cities 60 days to act on the application.

FINANCIAL IMPLICATIONS:

RECOMMENDATION/ACTION DESIRED:

City staff and the Oncor Steering Committee of Cities recommend the City Council approve a resolution to deny Oncor Electric Delivery Company's request to increase distribution rates within the City and find that the City's reasonable rate case expenses be reimbursed by Oncor.

ATTACHMENTS/ SUPPORTING DOCUMENTATION:



AGENDA MEMORANDUM

1. Denial Resolution - 2019 Oncor Texas Final
2. MX-3115N_20190522_140447

REVIEWED BY:

Terri Johnson, City Secretary

Andrea Gardner, City Manager

Approved as to form for inclusion on Agenda

Approved - 5/20/2019

Final Approval - 5/20/2019

RESOLUTION NO. 19-05-29-01

A RESOLUTION OF THE CITY OF WATAUGA, TEXAS FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S APPLICATION FOR APPROVAL TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR PURSUANT TO 16 TEX. ADMIN. CODE § 25.243 TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the City of Watauga, Texas ("City") is an electric utility customer of Oncor Electric Delivery Company LLC ("Oncor" or "Company"), and a regulatory authority with an interest in the rates and charges of Oncor; and

WHEREAS, the City is a member of the Steering Committee of Cities Served by Oncor ("OCSC" or "Cities"), a membership of similarly situated cities served by Oncor that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in Oncor's service area; and

WHEREAS, on or about April 8, 2019 Oncor filed with the City an Application for Approval to Amend its Distribution Cost Recovery Factor ("DCRF"), PUC Docket No. 49427, seeking to increase electric distribution rates by approximately \$29,433,804; and

WHEREAS, all electric utility customers residing in the City will be impacted by this ratemaking proceeding if it is granted; and

WHEREAS, Cities are coordinating its review of Oncor's DCRF filing with designated attorneys and consultants to resolve issues in the Company's application; and

WHEREAS, Cities' members and attorneys recommend that members deny the DCRF.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS:

Section 1. That the City is authorized to participate with OCSC in PUC Docket No. 49427.

Section 2. That subject to the right to terminate employment at any time, the City of Watauga hereby authorizes the hiring of the law firm of Lloyd Gosselink Rochelle & Townsend, P.C. and consultants to negotiate with the Company, make recommendations to the City

regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.

Section 3. That the rates proposed by Oncor to be recovered through its DCRF charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

Section 4. That the Company shall continue to charge its existing rates to customers within the City.

Section 5. That the City's reasonable rate case expenses shall be reimbursed in full by Oncor within 30 days of presentation of an invoice to Oncor.

Section 6. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

Section 7. That a copy of this Resolution shall be sent to Matthew C. Henry, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202 and to Thomas Brocato, Legal Counsel to OCSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this 29th day of May 2019.

Arthur L. Miner, Mayor

ATTEST:

Terri Johnson, Interim City Secretary

APPROVED AS TO FORM:

City Attorney

LAW OFFICES
EVANS, DANIEL, MOORE, EVANS, BIGGS & DECKER

(NOT A PARTNERSHIP)

MARK G. DANIEL

BOARD CERTIFIED - CRIMINAL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION

CRIMINAL TRIAL SPECIALIST-BOARD CERTIFIED
NATIONAL BOARD OF TRIAL ADVOCACY

SUNDANCE SQUARE
115 WEST SECOND STREET, SUITE 202
FORT WORTH, TEXAS 76102

(817) 332-3822
FACSIMILE (817) 332-2763

OF COUNSEL:
TIM EVANS
TIM MOORE
LANCE T. EVANS
WILLIAM R. BIGGS
ANDREW J. DECKER

May 22, 2019

Ms. Terri Johnson
Interim City Secretary
City of Watauga
7105 Whitley Road
Watauga, Texas 76148

Via Email

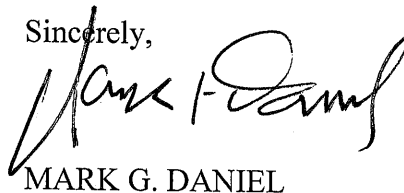
Re: *Resolution re Oncor Electric Delivery Company, LLC*

Dear Ms. Johnson:

I am in receipt of the Resolution by the City Council of the City of Watauga finding that Oncor Electric Delivery Company, LLC's ("Oncor") application for approval to amend its distribution cost recovery factor pursuant to 16 Tex. Admin. Code Section 25.243 to increase distribution rates within the City of Watauga should be denied, finding that the City's reasonable rate case expenses shall be reimbursed by Oncor, finding that the meeting at which this Resolution is passed is open to the public as required by law and requiring notice of this Resolution to Oncor and legal counsel. I approve of the Resolution and I would recommend that this be placed on the next City Council meeting agenda for consideration and approval.

Thank you for your attention to the above and the opportunity to be of assistance. Should you have any questions or need anything further, please do not hesitate to contact my office.

Sincerely,



MARK G. DANIEL

MGD/tp
Enclosure

cc: Mayor Arthur L. Miner
Ms. Andrea Gardner, City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF WATAUGA, TEXAS FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S APPLICATION FOR APPROVAL TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR PURSUANT TO 16 TEX. ADMIN. CODE § 25.243 TO INCREASE DISTRIBUTION RATES WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the City of Watauga, Texas ("City") is an electric utility customer of Oncor Electric Delivery Company LLC ("Oncor" or "Company"), and a regulatory authority with an interest in the rates and charges of Oncor; and

WHEREAS, the City is a member of the Steering Committee of Cities Served by Oncor ("OCSC" or "Cities"), a membership of similarly situated cities served by Oncor that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in Oncor's service area; and

WHEREAS, on or about April 8, 2019 Oncor filed with the City an Application for Approval to Amend its Distribution Cost Recovery Factor ("DCRF"), PUC Docket No. 49427, seeking to increase electric distribution rates by approximately \$29,433,804; and

WHEREAS, all electric utility customers residing in the City will be impacted by this ratemaking proceeding if it is granted; and

WHEREAS, Cities are coordinating its review of Oncor's DCRF filing with designated attorneys and consultants to resolve issues in the Company's application; and

WHEREAS, Cities' members and attorneys recommend that members deny the DCRF.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WATAUGA, TEXAS:

Section 1. That the City is authorized to participate with OCSC in PUC Docket No. 49427.

Section 2. That subject to the right to terminate employment at any time, the City of Watauga hereby authorizes the hiring of the law firm of Lloyd Gosselink Rochelle & Townsend, P.C. and consultants to negotiate with the Company, make recommendations to the City

regarding reasonable rates, and to direct any necessary administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.

Section 3. That the rates proposed by Oncor to be recovered through its DCRF charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

Section 4. That the Company shall continue to charge its existing rates to customers within the City.

Section 5. That the City's reasonable rate case expenses shall be reimbursed in full by Oncor within 30 days of presentation of an invoice to Oncor.

Section 6. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

Section 7. That a copy of this Resolution shall be sent to Matthew C. Henry, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202 and to Thomas Brocato, Legal Counsel to OCSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

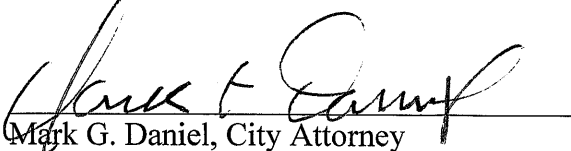
PASSED AND APPROVED this 29th day of May 2019.

Arthur L. Miner, Mayor

ATTEST:

Terri Johnson, Interim City Secretary

APPROVED AS TO FORM:



Mark G. Daniel, City Attorney