

**RESOLUTION NO. R-2008-22**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS FINDING THAT ONCOR ELECTRIC COMPANY'S REQUESTED INCREASES TO ITS ELECTRIC TRANSMISSION AND DISTRIBUTION RATES AND CHARGES 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**, pursuant to § 33.001 of the Public Utility Regulatory Act ("PURA"), the City has exclusive original jurisdiction over the electric rates, operations, and services provided within city limits;

**WHEREAS**, on or about June 27, 2008, Oncor Electric Delivery Company ("Oncor" or "Company"), pursuant to PURA §§ 33.001 and 36.001 filed with the City of Tyler ("City") a Statement of Intent to increase electric transmission and delivery rates by \$275 million on a system-wide basis within its service area effective August 8, 2008; and

**WHEREAS**, pursuant to PURA § 36.108, the City lawfully suspended the August 8, 2008, effective date by resolution to provide time to study the reasonableness of the Company's application to increase rates; and

**WHEREAS**, the City is a member of the Oncor Cities Steering Committee (Steering Committee) and has cooperated with 145 similarly situated city members to conduct a review of the Company's application, to hire and direct legal counsel and consultants, to prepare a common response to the filing, to negotiate with the Company and to direct any necessary litigation appealing final city action; and

**WHEREAS**, the City, in a reasonably noticed meeting that was open to the public, considered the Company's application; and

**WHEREAS**, the consultants who were retained by the Steering Committee to evaluate the merits of the Company's application have determined that the Company's requested \$275 million increase in revenues for its transmission and distribution system is not supported by evidence; and

**WHEREAS**, PURA § 33.023 provides that reasonable costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS:**

**PART 1.** That the rates proposed by Oncor Electric Delivery Company, to be recovered through its electric transmission and distribution rates charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

**PART 2.** That the Company shall continue to charge its existing rates for transmission and distribution services to customers within the City.

**PART 3.** That the City's reasonable rate case expenses shall be reimbursed by Oncor.

**PART 4.** 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.

**PART 5.** A copy of this Resolution shall be sent to Oncor, care of Debra Anderson, Oncor Electric Delivery Company, 1601 Bryan St., Suite 23-055C, Dallas, Texas 75201 and to Geoffrey Gay, General Counsel to the Oncor Cities Steering Committee, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

**PASSED AND APPROVED**, this the 22<sup>nd</sup> day of October, 2008.

  
BARBARA BASS, MAYOR  
CITY OF TYLER, TEXAS

ATTEST

  
CASSANDRA BRAGER, CITY CLERK

APPROVED:

  
MARY C. LANDERS, CITY ATTORNEY

