

CITY OF SULPHUR SPRINGS, TEXAS

SPECIAL MEETING OF THE

CITY COUNCIL

JUNE 28, 2011

12:00 NOON

Mayor Craig Johnson called the special meeting of the Sulphur Springs City Council to order at 12:02 p.m. The following council members and staff were present:

Mayor Craig Johnson
Mayor Pro Tem Freddie Taylor
Councilman Gary Spraggins
Councilwoman Kayla Price

Staff: Marc Maxwell, City Manager
Gale Roberts, City Secretary
Gordon Frazier, Director of Human Resources

Absent: Councilman Clay Walker – 12:15
Councilman Oscar Aguilar
Councilman John Sellers

PLEDGE AND INVOCATION

Mayor Johnson led in the pledge of allegiance to the flag and Mayor Pro Tem Taylor led the invocation.

DISCUSSION/ACTION ON PUBLIC HEARING FOR SECOND AND FINAL READING OF ORDINANCE NO. 2593 APPROVING A NEGOTIATED RESOLUTION BETWEEN THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR AND ONCOR ELECTRIC DELIVERY COMPANY LLC REGARDING THE COMPANY'S APPLICATION TO INCREASE ELECTRIC RATES IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; REQUIRING THE COMPNAY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND

REASONABLE; APPROVING ONCOR'S PROOF OF REVENUES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE STEERING COMMITTEE'S LEGAL COUNSEL

The City of Sulphur Springs, along with approximately 160 other cities served by Oncor Electric Delivery Company LLC ("Oncor" or "Company"), is a member of the Steering Committee of Cities Served by Oncor ("Steering Committee"). On or about January 7, 2011, Oncor filed with the City an application to increase electric rates.

The Oncor filing sought a \$353 million rate increase. The City worked with the Steering Committee to analyze the schedules and evidence offered by Oncor to support its request to increase rates. The Ordinance and rate and tariffs are the result of negotiations between the Steering Committee and the Company to resolve issues raised by the Steering Committee and other intervenors during the review and evaluation of the filing. The Ordinance resolves the Company's filing by authorizing an increase in the Company's base rate of \$136.7 million. The monthly bill impact for the average residential customer will be a \$2.35 increase (as opposed to the \$5.00 per bill increase as proposed in the Company's filing).

The Executive Committee of the Steering Committee and the Steering Committee's legal counsel recommend that all city members of the Steering Committee adopt the Ordinance implementing the rate change. There was no one else to speak to the issue. Councilman Spraggins moved to adopt the ordinance on the second and final reading. Councilwoman Price seconded and the vote was unanimous.

The motion carried.

VISITORS/PUBLIC FORUM

None.

ADJOURN

With all business complete the meeting 12:05 p.m.