Control Number: 34077

Item Number: 793

Addendum StartPage: 0

DOCKET NO. 34077

2009 ANNUAL COMPLIANCE REPORT	§	**BEFORE THE**
OF ONCOR ELECTRIC DELIVERY	§	
COMPANY LLC PURSUANT TO	§	**PUBLIC UTILITY COMMISSION**
THE COMMISSION'S ORDER	§	
ISSUED IN DOCKET NO. 34077	§	**OF TEXAS**

2009 ANNUAL COMPLIANCE REPORT OF
ONCOR ELECTRIC DELIVERY COMPANY LLC
PURSUANT TO THE COMMISSION'S ORDER ISSUED IN DOCKET NO. 34077

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

COMES NOW Oncor Electric Delivery Company LLC ("Oncor") and files this 2009 annual compliance report (this "2009 Annual Compliance Report") as required by the Public Utility Commission of Texas (the "Commission") in PUC Docket No. 34077[1] and respectfully shows the following:

I. DESIGNATED REPRESENTATIVES

For purposes of this filing, Oncor's designated representatives are as follows:

Howard V. Fisher
Senior Counsel
Oncor Electric Delivery Company LLC
1601 Bryan Street, Suite 23-035C
Dallas, Texas 75201
214.486.3026 Office
214.486.3221 Fax
Email: howard.fisher@oncor.com

RECEIVED
10 MAY 14 AM 11:15
FILING CLERK

and

[1] *Joint Report and Application of Oncor Electric Delivery Company and Texas Energy Future Holdings Limited Partnership Pursuant to PURA §14.101*, Docket No. 34077.

Ronnie Puckett
Senior Regulatory Project Manager
Oncor Electric Delivery Company LLC
1601 Bryan Street, Suite 23-060D
Dallas, Texas 75201
214.486.2214 Office
214.486.3221 Fax
Email: rpuckett@oncor.com

II. BACKGROUND AND REASON FOR FIILNG

On April 25, 2007, Oncor and Texas Energy Future Holdings Limited Partnership ("TEF") filed their *Joint Report and Application of Oncor Electric Delivery Company and Texas Energy Future Holdings Limited Partnership Pursuant to PURA §14.101* requesting a determination that the merger of TEF with Oncor's parent, TXU Corp., was consistent with the standards set forth in PURA §14.101(b).[2] The proceeding was assigned PUC Docket No. 34077.

On October 24, 2007, Oncor, TEF, and several other parties in the proceeding filed a non-unanimous Stipulation (the "Stipulation")[3] purporting to settle all issues in the docket concerning the merger. The Stipulation contained several commitments made by TEF and Oncor related to the merger (the "Commitments").

On December 12, 2007, the signatories to the Stipulation filed an amendment to paragraph 35 and Exhibit B of the Stipulation, and Reliant Energy Retail Services, LLC and Alliance for Retail Marketers filed separate letters stating that they would no longer oppose the Stipulation. Also on December 12, 2007, the Commission held a Hearing on the Merits in the proceeding.

---

[2] Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.017 (Vernon 2007)(PURA)

[3] Signatories to the Stipulation included: Oncor; TEF; Commission Staff; the Office of Public Utility Counsel; Texas Industrial Energy Consumers; the Cities Served by Oncor Electric Delivery Company; the Texas State Association of Electrical Workers; the State of Texas; Texas Ratepayers' Organization to Save Energy; and Texas Legal Service Center.

On February 22, 2008, the Commission issued an Order consistent with the Stipulation and approving the Joint Report and Application filed by Oncor and TEF.

On March 17, 2008, Nucor Steel – Texas ("Nucor") filed a Motion for Rehearing requesting that the Commission reconsider its approval of the Stipulation and the Joint Report and Application filed by Oncor and TEF.

On April 9, 2008, the Commission denied Nucor's Motion for Rehearing.

On April 24, 2008, the Commission issued an Order on Rehearing (the "Order on Rehearing") affirming its approval of the Stipulation and the Joint Report and Application filed by Oncor and TEF. The Order on Rehearing required Oncor to make annual reports to the Commission regarding its compliance with the Commitments.[4] This 2009 Annual Compliance Report fulfills that requirement for calendar year 2009.

III. REPORT ON COMMITMENTS

(1) **Name Change Commitment.** On or before closing of the merger, the name of TXU Electric Delivery Company will be changed to Oncor Electric Delivery Company. Oncor's logo will be separate and distinct from the logos of the parent, TXU Corp., the retail electric provider, which will retain the TXU Energy Retail name, and the power generation company, which is expected to be renamed with the Luminant Energy brand. (In fact, the name of TXU Electric Delivery Company was changed to Oncor Electric Delivery Company on April 24, 2007.) TXU Corp. commits to maintaining a name and logo for Oncor that is separate and distinct from the names of TXU Corp.'s retail electric provider and wholesale generation companies.

Report: *TXU Electric Delivery Company changed its name to Oncor Electric Delivery Company on April 24, 2007. On October 10, 2007, the company was converted from a Texas corporation to a Delaware limited liability company. The name was changed to Oncor Electric Delivery Company LLC, which remains today. Oncor continues to have a name and logo separate and distinct from TXU Energy Retail Company and Luminant Energy Company.*

[4] Order on Rehearing, Finding of Fact No. 95, page 27.

(2) **Separate Board Commitment.** At closing and thereafter, Oncor will have a separate board of directors that will not include any members from the boards of directors of TXU Energy Retail or Luminant. This commitment is supplemented by commitment numbers (32) and (33).

Report: *Oncor continues to have a separate board of directors that does not include any members from the boards of TXU Energy Retail Company or Luminant Energy Company.*

See also (12), (32), and (33) below.

(3) **Separate Headquarters Commitment.** Within a reasonable transition period after closing of the merger, not to exceed six months, Oncor's headquarters will be located in a separate building from the headquarters and operations of TXU Energy Retail and Luminant.

Report: *Oncor's headquarters continues to be located in a separate building from the headquarters and operations of TXU Energy Retail Company and Luminant Energy Company*

Oncor *	*Energy Plaza* *1601 Bryan Street* *Dallas, Texas 75201*
Luminant	*Lincoln Plaza* *500 North Akard Street* *Dallas, Texas 75201*
TXU Energy	*6555 Sierra Drive* *Irving, Texas 75039*

* *Oncor has purchased a building located at 1616 Woodall Rogers Freeway in Dallas, Texas. That building will serve as Oncor's corporate headquarters. Oncor expects to move into the building later in 2010. EFH offices will remain in Energy Plaza.*

(4) **No Transaction-Related Debt at Oncor.** Oncor will not incur, guaranty, or pledge assets in respect of any incremental new debt related to financing the merger at the closing or thereafter. Oncor's financial integrity will be protected from the separate operations of TXU Energy Retail and Luminant. This commitment is supplemented by commitment number (28).

Report: *Oncor has not incurred, guaranteed, or pledged assets in respect of any incremental new debt related to financing the merger.*

Oncor's financial integrity continues to be protected from the separate operations of TXU Energy Retail Company and Luminant Energy Company. Oncor received a non-consolidation opinion of counsel dated

October 10, 2007 confirming the effectiveness of the ring-fencing measures put in place at Oncor.

See also (28) below.

(5) **Debt-to-Equity Ratio Commitment.** Oncor's debt will be limited so that its regulatory debt-to-equity ratio (as determined by the Commission) is at or below the assumed debt-to-equity ratio established from time to time by the Commission for ratemaking purposes, which is currently set at 60% debt to 40% equity. For ratemaking purposes, in its scheduled rate cases in 2007 and 2008, Oncor will support a cost of debt that does not exceed Oncor's actual cost of debt immediately prior to the announcement of the merger. This commitment is supplemented by commitment numbers (36), (37), and (38).

Report: *Oncor's debt is being limited so that its regulatory debt-to-equity ratio (as determined by the Commission) is at or below the assumed debt-to-equity ratio established from time to time by the Commission for ratemaking purposes, which is currently set at 60% debt to 40% equity.*

In its scheduled rate cases in 2007[5] *and 2008*[6]*, Oncor supported a cost of debt that did not exceed Oncor's actual cost of debt immediately prior to the announcement of the merger.*

See also (36), (37), and (38) below.

(6) **Capital Expenditure Commitment.** Following the closing of the merger, Oncor will continue to make capital expenditures consistent with the capital expenditures in Oncor's business plan. Total capital spending will depend in part on economic and population growth in Texas, as well as permitting and siting outcomes. However, in any event, over the five years following the year in which closing of the merger occurs, Oncor will make capital expenditures in connection with its transmission and distribution business in an aggregate amount of more than $3.0 billion. This commitment has been replaced by the provisions of commitment number (44).

Report: *See (44) below.*

(7) **DSM Commitment.** Over the five years following the year in which closing occurs, subsidiaries of TXU Corp. will expend an aggregate of at least $200 million on demand-side management (DSM) over the amount included by the Commission in Oncor's 2007 rates. This commitment will approximately double the level of spending on DSM included in Oncor's 2007 rates. Oncor will not seek to recover in rates any of the $200 million in incremental DSM expenditures. This commitment is supplemented by commitment numbers (41) and (42).

---

[5] *Commission Staff's Petition for Review of the Rates of TXU Electric Delivery Company*, Docket No. 34040.

[6] *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 35717.

Report: *The unregulated subsidiaries of Energy Futures Holding Corp. (formerly TXU Corp.) are responsible for reporting independently to the Commission regarding their portion of the $200 million commitment.*

Oncor will report the progress on its $100 million share of the $200 million commitment in this 2009 Annual Compliance Report. See (42) below.

Oncor has not sought recovery in rates of any portion of the $200 million in incremental DSM expenditures (see Oncor's latest rate case[7]).

See also (41) below.

(8) **Service and Safety Commitment.** Oncor will support the inclusion of negotiated commitments with appropriate stakeholders regarding reliability, customer service and employee safety in any final order regarding the merger issued pursuant to PURA § 14.101.

Report: *Oncor supported the inclusion of negotiated commitments with appropriate stakeholders regarding reliability, customer service, and employee safety in the final order regarding the merger issued pursuant to PURA § 14.101 in Docket No. 34077[8]. Those negotiated commitments are reflected in commitment numbers (46), (47), and (48) below.*

(9) **Rate Case Commitment.** If, for any reason, the Commission has not initiated a general rate proceeding for Oncor or its predecessor prior to July 1, 2008, Oncor will not later than that date file a general rate case consistent with its currently effective settlement agreement with certain municipalities.

Report: *Oncor filed a general rate case on June 27, 2008 in Docket No. 35717[9].*

(10) **Continued Ownership Commitment.** TEF will hold a majority of its ownership interest in Oncor, in the current regulatory system, for a period of more than five years after the closing date of the merger.

Report: *TEF continues to hold a majority ownership interest in Oncor.*

As of December 31, 2009, TEF indirectly owned 80.03% of Oncor. Texas Transmission, an entity indirectly owned by a private investment group led by OMERS Administration Corporation, acting through its infrastructure investment entity (OMERS is one of Canada's largest pension plans), Borealis Infrastructure Management Inc., and the Government of Singapore Investment Corporation, acting through its private equity and

[7] *Id.*
[8] *Joint Report and Application of Oncor Electric Delivery Company and Texas Energy Future Holdings Limited Partnership Pursuant to PURA §14.101*, Docket No. 34077.
[9] *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 35717.

infrastructure arm, GIC Special Investments Pte Ltd., owned 19.75% of Oncor. Certain members of Oncor's management team and board of directors indirectly owned 0.22%.

See also (11) below.

(11) **Holding Company Commitment.** A new holding company, Oncor Electric Delivery Holdings, will be formed between TXU Corp. and Oncor.

Report: *Oncor Electric Delivery Holdings LLC was formed on October 5, 2007 and continues to exist and hold approximately 80% of Oncor today.*

(12) **Independent Board Commitment.** Both Oncor Electric Delivery Holdings and Oncor will each have a board of directors comprised of at least nine persons. A majority of Oncor Electric Delivery Holdings' board members and Oncor's board members will qualify as "independent" in all material respects in accordance with the rules and regulations of the New York Stock Exchange ("NYSE") (which are set forth in Section 303A of the NYSE Listed Company Manual), from TXU Corp. and its subsidiaries (including TXU Energy Retail and Luminant), Texas Pacific Group (TPG), and Kohlberg Kravis Roberts & Co. (KKR). Consistent with TEF's commitments, the directors of Oncor and Oncor Electric Delivery Holdings will also not include any members from the boards of directors of TXU Energy Retail or Luminant. This commitment is supplemented by commitment number (32).

Report: *Oncor continues to have a separate board of directors that does not include any members from the boards of TXU Energy Retail Company or Luminant Energy Company. Oncor and Oncor Electric Delivery Holdings board members currently include:*

Nora Mead Brownel – independent director
Thomas M. Dunning – independent director
Robert A. Estrada – independent director
Monte F. Ford – independent director
William Temple Hill, Jr. – independent director
Jeffrey Liaw – Texas Pacific Group
Marc S. Lipschultz – Kohlberg Kravis Roberts & Company
Robert S. Shapard – Chairman and CEO of Oncor
Richard W. Wortham, III – independent director
Richard C. Byers – Texas Transmission (minority investor)
Steven J. Zucchet – Texas Transmission (minority investor)

(13) **Affiliate Asset Transfer Commitment.** Neither Oncor Electric Delivery Holdings nor Oncor will transfer any material assets or facilities to any affiliates (other than Oncor Electric Delivery Holdings, Oncor, and their subsidiaries, which are hereinafter referred to as the "ring-fenced entities"), other than such transfer that is on an arm's length basis consistent with the Commission's affiliate standards applicable

to Oncor, regardless of whether such affiliate standards would apply to the particular transaction.

Report: *Neither Oncor nor Oncor Electric Delivery Holdings has transferred any material assets or facilities to Energy Future Holdings Corp. (formerly TXU Corp.) or its unregulated subsidiaries, other than such transfer that was on an arm's length basis consistent with the Commission's affiliate standards.*

(14) **Arm's Length Relationship Commitment.** Each of the ring-fenced entities will maintain an arm's length relationship with the TXU Group consistent with the Commission's affiliate standards applicable to Oncor. This provision is supplemented by commitment number (43).

Report: *Oncor and its ring-fenced affiliates continue to maintain an arm's length relationship with Energy Future Holdings Corp. (formerly TXU Corp.) and its unregulated subsidiaries consistent with the Commission's affiliate standards.*

See also (43) below.

(15) **Separate Books and Records Commitment.** Each of the ring-fenced entities will maintain accurate, appropriate, and detailed books, financial records and accounts, including checking and other bank accounts, and custodial and other securities safekeeping accounts that are separate and distinct from those of any other entity.

Report: *Oncor and its ring-fenced affiliates continue to maintain accurate, appropriate, and detailed books, financial records and accounts, including checking and other bank accounts, and custodial and other securities safekeeping accounts that are separate and distinct from those of any other entity.*

(16) **Oncor Board's Right to Determine Dividends Commitment.** The Oncor Board, comprised of a majority of independent directors, will have the sole right to determine dividends. This commitment is supplemented by commitment numbers (23) and (34).

Report: *Oncor's Board continues to be comprised of a majority of independent directors and continues to have the sole right to determine dividends.*

See also (12) above and (23) and (34) below.

(17) **Capital Expenditures Within Oncor Service Territory Commitment.** The $3 billion minimum commitment for Oncor capital expenditures over the five years following the merger will be spent within the traditional Oncor system, and that amount does not include any transmission projects to be constructed by Oncor as a result of the Commission's decision in its *Commission Staff's Petition for*

Designation of Competitive Renewable Energy Zones, Docket No. 33672. This commitment is modified by commitment numbers (44) and (45).

Report: *See (44) and (45) below.*

(18) **No Transaction Costs to Oncor Commitment.** None of the fees and expenses or any incremental borrowing costs of TXU Corp. or its subsidiaries related to the merger will be borne by Oncor's customers. This commitment is supplemented in commitment number (40).

Report: *Oncor has not sought to include any of the fees and expenses or any incremental borrowing costs of Energy Future Holdings Corp. (formerly TXU Corp.) or its unregulated subsidiaries related to the merger in its rates to be borne by Oncor's customers (see Oncor's latest rate case[10]).*

See also (40) below.

(19) **Exclusion of Goodwill Commitment.** The calculations for the debt-to-equity ratio commitment will not include goodwill resulting from the merger. This commitment is supplemented by commitment number (38).

Report: *Oncor has not included goodwill that resulted from the merger in the calculation of the debt-to-equity ratio commitment.*

See also (38) below.

(20) **No Inter-Company Debt Commitment.** Oncor will not enter into any inter-company debt transactions with TXU Corp. affiliates following consummation of the merger. This commitment is supplemented by commitment number (26).

Report: *Since October 7, 2007, Oncor has not entered into any inter-company debt transactions with Energy Future Holdings Corp. (formerly TXU Corp.) or any of its unregulated subsidiaries.*

See also (26) below.

(21) **No Shared Credit Facilities Commitment.** Oncor will not share any credit facility with any unregulated affiliate. This commitment is supplemented by commitment number (27).

Report: *Oncor continues to have its own credit facility and does not share any credit facilities with Energy Future Holdings Corp. (formerly TXU Corp.) or any of its unregulated subsidiaries.*

See also (27) below.

[10] *Id.*

(22) **No Recovery of TXU Energy Retail Bad Debt Commitment.** So long as TXU Energy Retail is affiliated with Oncor, Oncor will not seek to recover from its customers any costs incurred as a result of a bankruptcy of TXU Energy Retail. This commitment is supplemented by commitment number (30).

Report: *There has been no bankruptcy of TXU Energy Retail.*

See also (30) below.

(23) **Dividend Restriction Commitment.** The Oncor LLC agreement shall, and TEF and Oncor will support a Commission finding to, limit the payment of dividends by Oncor through December 31, 2012, to an amount not to exceed Oncor's net income (determined in accordance with generally accepted accounting principles) for the period beginning on the date following the closing of the merger and ending on December 31, 2012.

Report: *The Oncor LLC agreement limits the payment of dividends by Oncor through December 31, 2012 to an amount not to exceed Oncor's net income (determined in accordance with generally accepted accounting principles, as modified by applicable orders of the Commission).*

Oncor's dividend payments for the period beginning October 11, 2007 and ending December 31, 2009 do not exceed Oncor's net income (determined in accordance with GAAP, subject to certain defined adjustments) for that same period. The defined adjustments are those contained in the Stipulation.

(24) **Write-Off Commitment.** Oncor will implement a one-time $35 million write-off in 2007 or 2008, at its discretion, either prior to or after the closing of the merger, to its storm reserve and a one-time write-off in 2007 or 2008, at its discretion, either prior to or after the closing of the merger, to the 2002 restructuring expenses held as regulatory assets ($20,927,391.50). These write-off amounts will not be included as a cost item in the 2008 rate case or any other Commission proceeding. Parties reserve the right to challenge claimed expenses included in storm reserve and regulatory assets accounts. These write-offs shall not be included in the calculation of net income for dividend payment purposes, as described in commitment number (23).

Report: *Oncor implemented a one-time $35 million write-off to its storm reserve and a one-time write-off of $20,927,391.50 to the 2002 restructuring expenses held as regulatory assets on October 10, 2007.*

These write-offs were not included as a cost item in the 2008 rate case (Docket No. 35717[11]) and will not be included in any other Commission proceeding.

These write-offs have not been included in the calculation of net income for dividend payment purposes.

(25) **Reporting Commitment.** Oncor will file quarterly earnings monitoring reports with the Commission, including information on dividends paid, for a period of five years beginning in January 2008.

Report: *Oncor began filing quarterly earnings monitoring reports with the Commission on June 16, 2008 for the quarter ending March 31, 2008 (Docket No. 34077[12]), and continues to file quarterly earnings monitoring reports today. These reports include information on dividends paid.*

(26) **No Inter-Company Lending Commitment.** Oncor will not lend money to or borrow money from TXU Corp. or TXU Corp. affiliates. This provision supplements the commitment reflected in commitment number (20).

Report: *Since October 7, 2007, Oncor has not loaned money to or borrowed money from Energy Future Holdings Corp. (formerly TXU Corp.) or any of its unregulated subsidiaries.*

(27) **Credit Facility Commitment.** Oncor will not share credit facilities with TXU Corp. or TXU Corp. affiliates. This provision supplements the commitment reflected in commitment number (21).

Report: *Oncor continues to have its own credit facility and does not share any credit facilities with Energy Future Holdings Corp. (formerly TXU Corp.) or any of its unregulated subsidiaries.*

(28) **No Pledging of Assets Commitment.** Oncor's assets shall not be pledged for any entity other than Oncor. This provision supplements the commitment reflected in commitment number (4).

Report: *Oncor's assets have not been pledged for any entity other than Oncor.*

(29) **Notice of Corporate Separateness Commitment.** Oncor, TXU Corp., and TXU Corp. affiliates will provide advance notice of their corporate separateness to lenders on all new debt and will use commercially reasonable efforts to seek an acknowledgment representation of that separateness and non-petition covenants in all new debt instruments, including the debt instruments used in connection with

[11] *Id.*

[12] *Joint Report and Application of Oncor Electric Delivery Company and Texas Energy Future Holdings Limited Partnership Pursuant to PURA §14.101*, Docket No. 34077.

financing the merger. This commitment will terminate at such time that Oncor ceases to be affiliated with TXU Corp.

Report: *Oncor issued $1.5 billion in incremental long-term debt in September 2008. A Notice of Corporate Separateness was placed in the Offering Memorandum provided to all potential investors of that transaction. That is the only new long-term debt issued by Oncor since the close of the merger on October 10, 2007.*

To the best of Oncor's knowledge, Energy Future Holdings (formerly TXU Corp.) and its unregulated affiliates have complied with this commitment as well on all new debt issued in relation to the merger transaction and any new debt issued since October 10, 2007 by posting a Notice of Corporate Separateness in all Offering Memorandums related to such debt.

(30) **Bankruptcy Expenses Commitment.** Oncor will not seek recovery in rates of any expenses related to a bankruptcy or default of TXU Corp. or TXU Corp. affiliates, including bad debt expense, or expenses associated with the expiration or cancellation of tax and interest reimbursement agreements presently in effect. This provision supplements the commitment reflected in commitment number (22).

Report: *There has been no bankruptcy or default (or associated bad debt expense) of Energy Future Holdings Corp. (formerly TXU Corp.) or its unregulated affiliates. Oncor has not sought recovery in rates of any expenses associated with the expiration or cancellation of tax and interest reimbursement agreements in effect at the time of the Stipulation (see Oncor's latest rate case[13]).*

(31) **Credit Rating Commitment.** During any period that any two of the Standard & Poor's, Moody's, or Fitch rating agencies rate Oncor as an entity below investment grade, TEF will cause TXU Energy Retail within 15 days to post a letter of credit in favor of Oncor in the amount of $170 million to secure TXU Energy Retail's payment obligations to Oncor. The parties agree that TXU Energy Retail may withdraw the letter of credit at such time as two of the three ratings agencies rate Oncor as investment grade or at such time as TXU Energy Retail and Oncor cease to be affiliated with one another. The cost of any letter of credit required under this provision will not be reflected in Oncor's rates.

Report: *At October 7, 2007, Oncor was rated Ba1 by Moody's, BBB- by Standard & Poor's, and BBB by Fitch. Currently, Oncor is rated Baa1 by Moody's, BBB+ by Standard & Poor's, and BBB by Fitch.*

Oncor continues to have an investment grade issuer rating at Standard & Poor's, Moody's, and Fitch credit rating agencies.

[13] *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 35717.

(32) **Independent Directors Commitment.** For an individual to qualify as an independent director of Oncor, such individual must be independent of each of Oncor, TEF, TXU Corp. and TXU Corp. affiliates, KKR, TPG, Goldman Sachs, Lehman Brothers, Morgan Stanley, Citigroup, J.P. Morgan, and CSFB in accordance with the applicable criteria set forth in the NYSE Manual for independent directors of NYSE listed companies. After such time as any of Lehman Brothers, Morgan Stanley, Citigroup, J.P. Morgan, or CSFB has sold all of the debt it underwrote to finance the merger, then any such entity that has sold all of the debt it underwrote to finance the merger shall be deemed removed from the list of entities from which an individual must be independent in order to qualify as an independent director of Oncor in the commitment. This provision supplements the commitment reflected in commitment number (12).

Report: *See (12) above.*

(33) **Minority Interest Commitment.** The sale of a minority interest in Oncor that was contemplated at the time of the merger, to the extent that such sale occurs, will be made to a party that is not otherwise affiliated with, and is independent from, TXU Corp., KKR, TPG, and Goldman Sachs. Oncor may dividend the net proceeds from the sales of minority interests in Oncor to its members without regard to the provisions of commitment number (23).

Report: *On November 5, 2008, Oncor issued and sold additional equity interests to Texas Transmission. Texas Transmission is an entity indirectly owned by a private investment group led by OMERS Administration Corporation, acting through its infrastructure investment entity (OMERS is one of Canada's largest pension plans), Borealis Infrastructure Management Inc., and the Government of Singapore Investment Corporation, acting through its private equity and infrastructure arm, GIC Special Investments Pte Ltd.*

Texas Transmission acquired the equity interest for $1.254 billion in cash. At the closing of the sale, Oncor also offered and sold additional equity interests to Investment LLC, an entity owned by certain members of Oncor's management team, for a total of $13 million in cash (the same price per unit paid by Texas Transmission).

The proceeds (net of closing costs) of $1.253 billion received by Oncor from Texas Transmission and the members of Oncor management upon completion of these transactions were distributed to Oncor Holdings and ultimately to Energy Future Holdings Corp.

(34) **Independence of Board Commitment.** Oncor's Board cannot be overruled by the board of TXU Corp. or any of its subsidiaries on dividend policy, debt issuance, capital expenditures, management and service fees, and appointment or removal of board members, provided that such actions may also require the additional approval

of Oncor Electric Delivery Holdings' board. This provision supplements the commitment reflected in commitment number (16).

Report: *Oncor's Board has not been overruled by the board of Energy Future Holdings Corp. (formerly TXU Corp.) or any of its unregulated subsidiaries on dividend policy, debt issuance, capital expenditures, management and service fees, and appointment or removal of board members.*

(35) **REP Credit Commitment.** Oncor will provide a one-time credit of $72 million to retail electric providers (REPs) to be directly paid or credited to their retail customers. The credit shall be provided over the first full Oncor billing month that starts at least 45 days after the Commission dismisses *Commission Staff's Petition for Review of the Rates of TXU Electric Delivery Company,* Docket No. 34040. {Remainder of commitment omitted for this report.}

Report: *The Commission dismissed Docket No. 34040 on June 30, 2008. Oncor provided the $72 million one-time credit to REPs over the September 2008 billing month.*

Oncor filed affidavits with the Commission on July 31, October 27, and December 11, 2008, indicating the participating REPs, stating that it had provided the one-time credit, listing the total amount credited by customer class, and the remaining amounts paid to REPs for bill payment assistance programs. These affidavits were filed in Docket No. 35944.[14]

Oncor counted the $72 million credit as a reduction to net income for dividend payment purposes in commitment number (23). Oncor has not recovered the one-time credit in rates (see Oncor's latest rate case[15]*).*

(36) **Debt to Equity Ratio Commitment.** Oncor debt will be limited so that its debt-to-equity ratio is at or below the assumed debt-to-equity ratio established from time to time by the Commission for ratemaking purposes, which is currently set at 60% debt to 40% equity. The Commission has authority to determine what types of debt and equity are included in a utility's debt-to-equity ratio. The purposes to be conducted or promoted by Oncor are those of an electric transmission and distribution company, including owning and operating equipment or facilities to transmit and distribute electricity, and to engage in any other activities related or incidental thereto or in anticipation thereof. Oncor will agree to cap its cost of debt for the 2008 rate case at pre-merger levels. In addition, Oncor will agree that its cost of debt in future rate proceedings initiated prior to December 31, 2012 will be based on the then-current cost of debt for electric utilities which have the same investment grade ratings, as established by the Standard & Poor's, Moody's, or Fitch credit rating agencies, at the

---

[14] *Compliance Filing of Oncor Electric Delivery Company, LLC Pursuant to Finding of Fact No. 77 of the Order in Docket No. 34077*, Docket No. 35944.

[15] *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 35717.

time of such proceedings as Oncor's ratings as of October 1, 2007. This provision supplements the commitment reflected in commitment number (5).

Report: *Oncor's debt is being limited so that its debt-to-equity ratio is at or below the assumed debt-to-equity ratio established from time to time by the Commission for ratemaking purposes, which is currently set at 60% debt to 40% equity.*

The purposes being conducted or promoted by Oncor are those of an electric transmission and distribution company, including owning and operating equipment or facilities to transmit and distribute electricity, and to engaging in any other activities related or incidental thereto or in anticipation thereof.

Oncor capped its cost of debt for the 2008 rate case at pre-merger levels (Docket No. 35717).[16]

Oncor continues to agree that its cost of debt in future rate proceedings initiated prior to December 31, 2012 will be based on the then-current cost of debt for electric utilities which have the same investment grade ratings, as established by the Standard & Poor's, Moody's, or Fitch credit rating agencies, at the time of such proceedings as Oncor's ratings as of October 1, 2007.

(37) **Regulatory ROE Commitment.** If, at any time from the date of closing of the merger through December 31, 2012, Oncor's entity rating is not maintained as investment grade by Standard & Poor's, Moody's, or Fitch credit rating agencies, Oncor will not use its below investment grade ratings to justify an argument in favor of a higher regulatory return on equity.

Report: *Until August 2008, Moody's rated Oncor at Ba1. Subsequently, Oncor was upgraded by Moody's to Baa1. Oncor did not use the Ba1 rating to argue for a higher return on equity in the 2008 rate case (Docket No. 35717)*[17]*. Oncor's issuer rating continues to be investment grade at Standard & Poor's, Moody's, and Fitch credit rating agencies.*

(38) **Goodwill Commitment.** TEF and Oncor will not include goodwill from the merger in the calculation of the debt-to-equity ratio commitment to justify increased debt at Oncor. Write-downs or write-offs of goodwill will not be included in the calculation of net income for dividend payment purposes. This provision supplements the commitment reflected in commitment numbers (5) and (19).

Report: *Oncor has not included goodwill from the merger in the calculation of the debt-to-equity ratio commitment to justify increased debt at Oncor. Write-downs or write-offs of goodwill have not been included in the calculation*

[16] *Id.*
[17] *Id.*

of net income for dividend payment purposes (see Oncor's latest rate case[18]*).*

(39) **Goodwill Commitment.** Oncor will not seek to recover merger goodwill or any expense associated with the impairment of goodwill in its rates.

Report: *Oncor has not sought to recover merger goodwill or any expense associated with the impairment of goodwill in its rates (see Oncor's latest rate case*[19]*).*

(40) **No Recovery of Transaction-Related Costs Commitment.** Oncor will not seek to include costs related to the merger in its rates.

Report: *Oncor has not sought to include costs related to the merger in its rates (see Oncor's latest rate case*[20]*).*

(41) **No Recovery of DSM/Energy Efficiency Costs Commitment.** Oncor will not seek recovery in rates of any portion of the $200 million in incremental DSM expenditures. This provision supplements the commitment contained in commitment number (7).

Report: *Oncor has not sought recovery in rates of any portion of the $200 million in incremental DSM expenditures (see Oncor's latest rate case*[21]*).*

(42) **DSM Spending Commitment.** TEF will spend $100 million of the additional $200 million in incremental DSM expenditures reflected in commitment number (7) at Oncor.

(i) From January 1, 2008 through December 31, 2012, Oncor will spend $100 million of its incremental DSM expenditures as follows:

1. Oncor will spend $16 million for low income customer programs that will be conducted in a manner consistent with the Commission's energy efficiency rules. To do so, Oncor will negotiate and execute a contract with the Texas Association of Community Action Agencies (TACAA) to administer $3.2 million annually (for calendar years 2008 through 2012) for weatherization assistance services through local contracts with governmental and nonprofit agencies that will augment resources from the federal weatherization assistance program. Oncor will use its best efforts to have this agreement in place within 30 days of the final order in this Docket No. 34077. The contract with TACAA must contain reporting provisions to ensure that the funds are spent efficiently

[18] *Id.*.
[19] *Id.*
[20] *Id.*
[21] *Id.*

on effective weatherization programs, and provisions that ensure that TACAA makes reasonable progress toward spending the total $16 million over five years. TACAA must also agree that these additional weatherization funds will be spread equitably across the entire Oncor service area, including through community action agencies that are not members of TACAA. For this $16 million for low income customer programs, Oncor shall provide the Commission accurate annual reporting of revenues spent, the reduction in demand, and energy savings by customer class.

2. After accounting for the low income customers' share of the $100 million to be spent by Oncor, Oncor will spend the remaining $84 million for the benefit of industrial, commercial, residential and municipal, state, and other governmental customers. Oncor will spend the remaining $84 million for DSM and energy efficiency in a manner consistent with the Commission's energy efficiency rules, except that (A) up to $8.4 million of the remaining $84 million need not meet the cost effectiveness standards set out in such rules; and (B) program cost effectiveness will be measured over the life of the energy efficiency measure, provided that there will be realized savings in a three year period. For purposes of the remaining $84 million to be spent by Oncor, all end-use customers, including industrial, municipal, state and other governmental customers, will be considered "eligible customers." Oncor shall provide the Commission accurate annual reporting of revenues spent, the reduction in demand, and energy savings by customer class.

3. The $100 million to be spent by Oncor described above will be in addition to amounts Oncor is required to spend under PURA § 39.905, other legislation, or its preexisting obligations, including those related to *Commission Staff's Application for Approval of Plan to Implement Targeted Low-Income Energy-Efficiency Programs,* Docket No. 32103 (Aug. 8, 2006) and *Petition of Texas Legal Services and Texas Ratepayers Organization to Save Energy to Modify the Commission's Final Order in 32103 and to Reform The Agreement to Implement Weatherization Program,* Docket No. 34630 (Pending). Energy savings achieved through the expenditure of this $100 million shall not count toward meeting or exceeding requirements of PURA § 39.905, related substantive rules, or for purposes of calculating bonuses.

4. If the $100 million to be spent by Oncor described above is funded by Oncor, including through the sale or transfer of Oncor's assets, the portion of the $100 million spent in any calendar year shall be included in the calculation of net income for dividend payment

17

purposes, as described in commitment number (23), but shall not be recognized as an expense for purposes of calculating Oncor's rate of return as reported on any Commission-required filing or in support of any future Oncor rate increase.

(ii) The other \$100 million of incremental DSM expenditures will be funded and spent by TEF affiliates other than Oncor for the benefit of industrial, commercial, residential and municipal, state, and other governmental customers from January 1, 2008 through December 31, 2012.

(iii) These provisions supplement the commitment reflected in commitment number (7).

Report: *Since January 1, 2008 through December 31, 2009, Oncor has spent a total of \$22 million on incremental DSM programs related to this commitment. See the report dated May 14, 2010 entitled Oncor Electric Delivery Company LLC - Energy Efficiency Commitment – 2010 Annual Energy Efficiency Plan and Report, which was filed simultaneously with this 2009 Annual Compliance Report for more detail on that spending and the projected future spending to fulfill this commitment.*

(43) **Corporate Support Service Commitment.** Any corporate support services provided by an affiliate shall be acquired by Oncor at cost, but this provision shall not serve as a precedent or factor for determining the validity of any affiliate expense in future rate cases. Parties in future rate cases may challenge requested affiliate expenses for compliance with PURA § 36.058. The Commission can audit compliance with this provision consistent with existing substantive rules. Further, in the 2008 rate case, Oncor will not request affiliate expenses relating to corporate support services in an amount that exceeds the amount included in Docket No. 34040. Nothing in the stipulation reached by the parties in this docket shall be considered precedent as to whether CapGemini Energy L.P. (CGE) expenses are to be considered affiliate expenses. By agreeing to this provision, parties do not waive their rights to take the position that CGE is an affiliate of Oncor in the 2008 rate case and any future rate proceedings.

Report: *Corporate support services provided by an affiliate were acquired by Oncor at cost for the year ending 2009.*

In the 2008 rate case, Oncor did not request affiliate expenses relating to corporate support services in an amount that exceeded the amount included in Docket No. 34040[22].

[22] *Id.*

(44) **Capital Expenditures Commitment.** Oncor shall make minimum capital expenditures equal to a budget of $3.6 billion over the five-year period beginning January 1, 2008, and ending December 31, 2012, subject to the following adjustments to the extent reported to the Commission in Oncor's quarterly earnings monitor report: Oncor may reduce capital spending due to conditions not under Oncor's control, including, without limitation, siting delays, cancellations of projects by third-parties, or weaker than expected economic conditions. The $3.6 billion budget does not include transmission projects to be constructed by Oncor as a result of the Commission's decision in its *Commission Staff's Petition for Designation of Competitive Renewable Energy Zones*, Docket No. 33672. This commitment replaces the commitment reflected in commitment number (6) and modifies the commitment reflected in commitment number (17).

Report: *Oncor made $878 million in capital expenditures toward this commitment during the year ending December 31, 2009. These expenditures did not include any capital expenditures related to any projects constructed by Oncor as a result of the Commission's decision in its Commission Staff's Petition for Designation of Competitive Renewable Energy Zones, Docket No. 33672.*

Capital expenditures related to this commitment number (44) from January 1, 2008 through December 31, 2009 total $1.787 billion.

(45) **Capital Expenditures Commitment.** The capital expenditures contained in commitment number (44) shall be made solely to support the traditional Oncor system.

Report: *The capital expenditures contained in commitment number (44) have been made solely to support the traditional Oncor system.*

(46) **SAIDI and SAIFI Performance Standards Commitment.** From January 1, 2008 until December 31, 2012, Oncor will agree to the following system SAIDI and SAIFI Performance Standards, and Worst Performing Feeder Standards, including a total annual rebate payment ceiling of $2 million. The metrics for these standards were the subject of proposed legislation in the most recent legislative session; therefore in the event the metrics are changed in subsequent legislative sessions to provide for more stringent standards, Oncor shall file an application to conform the metrics referenced herein to the new metrics established in subsequent legislation.

(a) General Provisions

i. The reliability standards contained herein are intended to be consistent with P.U.C. Subst. R. 25.52.

ii. Reporting periods for these reliability standards are intended to be consistent with P.U.C. Subst. R. 25.81, and will coincide with the reporting periods in the Oncor electric-system service-quality reports to the Commission. Annual evaluations will be for calendar years.

iii. The initial reporting period for purposes of the rebates provided herein will be the year 2008.

iv. Reliability indices are calculated for "forced interruptions" as defined by P.U.C. Subst. R. 25.52.

(b) Reliability Indices

The following reliability standards use the System Average Interruption Frequency Index ("SAIFI") and System Average Interruption Duration Index ("SAIDI"). The distribution feeder standards will be established for distribution feeders with 10 or more customers.

i. 10 Percent Worst Distribution Feeder Performance Standards
No distribution feeder will sustain a SAIFI or SAIDI value for a reporting period that is among the highest (worst) 10 percent of the feeders for any two consecutive reporting periods.

ii. 300 Percent Greater than System Average Distribution Feeder Performance Standards
No distribution feeder will sustain a SAIFI or SAIDI value for a reporting period that is more than 300 percent greater than the system average of all feeders for any two consecutive reporting periods.

iii. System-Wide Standards
Oncor will not exceed the system-wide SAIFI or SAIDI standard by more than 5.0 percent beginning in 2008. The system-wide standards are the average SAIFI and the average SAIDI for 1998, 1999, and 2000.

(c) Maximum Amount of Rebates and Rebate Priorities

i. The rebates for violations of the reliability standards will not exceed a total of $2 million in a calendar year.

ii. The rebates will be credited to customers based upon the following priorities:

1. 10 Percent Worst Distribution Feeder Performance Standards

2. 300 Percent Greater than System Average Distribution Feeder Performance Standards

3. System-Wide Standards

To the extent that the $2 million rebate cap is reached, the rebate money will be prorated to customers in the last group, under subsections 1, 2, or 3 above, eligible for rebates. Customers in higher priority groups will receive full rebates.

(d) Determination of Rebates

i. 10 Percent Worst Distribution Feeder Performance Standards

1. A rebate of $20 will be made to each customer on all feeders violating one of the 10 Percent Worst Distribution Feeder Performance Standards. A separate rebate will be made for each violated standard (SAIFI or SAIDI) such that a customer on a feeder violating both standards would be credited $40.

2. If Oncor has no distribution feeder that violates one of the 10 Percent Worst Distribution Feeder Performance Standards for a reporting period, the total amount of money for rebates will be reduced 10 percent ($200,000) for the standard achieved. This reduction of money for rebates will decrease the total amount of rebates available for a calendar year for violations of any of the remaining standards. The amount of reduction will be 20 percent ($400,000) if both standards (SAIFI and SAIDI) are achieved.

ii. 300 Percent Greater than System Average Distribution Feeder Performance Standards

1. A service reliability credit of $50 will be made to each customer on all feeders violating either standard. A separate credit will be made for each standard violated (SAIFI or SAIDI) such that a customer on a feeder violating both standards would be credited $100.

2. If Oncor has no distribution feeder that violates a 300 Percent Greater than System Average Distribution Feeder Performance Standard for a reporting period, the total amount of money for rebates will be reduced 10 percent ($200,000) for the standard achieved. The amount of reduction will be 20 percent ($400,000) if both standards are achieved. This reduction of money for rebates will decrease the total amount of rebates available for a calendar year for violations of any remaining 300 Percent Greater than Average Distribution Feeder Performance Standard, or the System-Wide Standards, but not the 10 Percent Worst Distribution Feeder Performance Standards.

iii. System-Wide Standards

1. If the SAIFI or SAIDI System-Wide Standard is violated, Oncor will distribute the total rebate on a per capita basis among all distribution customers.

2. SAIFI: The total rebate will be the numerical difference between the actual and the allowable SAIFI values multiplied by $1 million,

up to a maximum of one-half of the total amount of money available for rebates for violations of the System-Wide Standards.

3. SAIDI: The total rebate will be the numerical difference between the actual and the allowable SAIDI values multiplied by $10,000, up to a maximum of one-half of the total amount of money available for rebates for violations of the System-Wide Standards.

iv. Payment

Oncor will make rebates to the current customer at the affected consuming facility by June 1 of the year following the reporting period.

v. Term of Standards

1. The electric reliability standards established under this commitment will remain in effect from January 1, 2008 through December 31, 2012.

(e) Any interested person will have the right to petition the Commission to revise the commitments in this commitment number (46). In the event the Commission's service reliability rule, P.U.C. SUBST. R. 25.52, is amended to make its reliability standards more stringent, such amendments will automatically be incorporated in these reliability commitments. Additionally, the signatories to the stipulation reached in Docket No. 34077 agreed that they will revisit these standards and penalties in the future in the context of any performance-based ratemaking plans or rules for Oncor and/or the electric industry.

(f) Within 45 days of the date of the final order in Docket No. 34077, Oncor shall file with the Commission a compliance plan with an agreement to pass through service quality credits similar in form to phase two of the plan and the agreement adopted in *Compliance Filings by Texas-New Mexico Power Company from the Order in Docket No. 30172*, Project No. 30848 (Apr. 22, 2005).

Report: *The final order in Docket No. 34077 was issued on February 22, 2008 and the Order on Rehearing was issued on April 24, 2008. Oncor filed its Compliance Plan with the Commission on April 7, 2008 in Docket No. 35546*[23]*. The Commission approved Oncor's Compliance Plan on August 4, 2008.*

On March 31, 2010, Oncor filed its 2009 annual report regarding its performance versus the agreed-upon reliability standards and any service quality rebates related thereto in Docket No. 38113. Service quality rebates, if any, will be made in accordance with that 2009 annual report.

[23] *Compliance Filing by Oncor Electric Delivery Company LLC Pursuant to the Commission's Order issued in Docket No. 34077*, Docket No. 35546.

(47) **Street Lighting Commitment.** From January 1, 2008 until December 31, 2012, to the extent not inconsistent with existing agreements with Cities, Oncor agrees to annual street light performance standards as follows:

(a) Routine repairs (bulbs, photocells, ballasts) - 90% complete in 5 calendar days;

(b) Circuit repairs (overhead/underground cable repairs) - 80% complete in 15 calendar days;

(c) Knockdowns (not repairs, require the replacement of the entire light) - 80% complete in 30 calendar days

These metrics will be exempt from force majeure events, including, but not limited to, major storms, cities whose ordinances or approvals impact Oncor's ability to meet these metrics, and mutual assistance to other utilities. Examples of qualifying City ordinances include - lane closures, pre-determined work schedules, and noise ordinances. All non-standard lights, such as antique or historical lights are exempt from this requirement since they are not readily available in Oncor's stock or from the manufacturer. Oncor agrees to a maximum payment of $1 million per year if the standards are not achieved, to be paid to the customers affected as contained in a plan filed by Oncor with the Commission for approval. Oncor shall file such a plan within 60 days of the date of the final order in Docket No. 34077. Notwithstanding this agreement, this issue may be addressed in subsequent rate proceedings.

Report: *The final order in Docket No. 34077 was issued on February 22, 2008 and the Order on Rehearing was issued on April 24, 2008. Oncor filed its Compliance Plan with the Commission on April 7, 2008 in Docket No. 35546.*[24] *The Commission approved Oncor's Compliance Plan on August 4, 2008.*

On March 31, 2010, Oncor filed its 2009 annual report regarding its performance versus the agreed-upon street light performance standards and any payments related thereto in Docket No. 38113. Payments, if any, will be made in accordance with that 2009 annual report.

(48) **Customer Service Commitment.** From January 1, 2008 until December 31, 2012, Oncor will agree to the customer-service metric proposed by Cities witness Norwood (annual average response time for customer calls to Oncor's telephone call center shall not exceed 60 seconds), with a total payment not to exceed $2 million per calendar year, to be paid in accordance with a plan filed by Oncor with the Commission for approval. Oncor shall file such a plan within 60 days of the date of the final order in Docket No. 34077.

Report: *The final order in Docket No. 34077 was issued on February 22, 2008 and the Order on Rehearing was issued on April 24, 2008. Oncor filed its*

[24] *Id.*

Compliance Plan with the Commission on April 7, 2008 in Docket No. 35546.[25] *The Commission approved Oncor's Compliance Plan on August 4, 2008.*

On March 31, 2010, Oncor filed its 2009 annual report regarding its performance versus the agreed-upon customer service standards and any payments related thereto in Docket No. 38113. Payments, if any, will be made in accordance with that 2009 annual report.

(49) **Advanced Metering Commitment.** Oncor will file its advanced metering deployment plan with the Commission before July 1, 2008; provided, however, that should the Commission take action to materially alter the existing requirements for advanced metering deployment, Oncor reserves its rights to delay the filing for a reasonable time as may be necessary to address any such requirements. The advanced meters deployed will support DSM programs to the extent required by the Commission's rules.

Report: *Oncor filed its advanced metering deployment plan with the Commission on May 28, 2008 in Docket No. 35718.*[26]

(50) **Legislation Commitment.** TEF, Oncor, TXU Corp. and its subsidiaries, and any legislative advocacy group to which any of the parties are members, and the other signatories will agree not to pursue, support or propose legislation that would change or abrogate any of the terms of the stipulation approved by the Commission in this docket; provided that if legislation discussed in commitment number (46) is considered in future sessions, Oncor reserves the right to participate in that legislative process. The stipulation approved by the Commission in this docket is not intended to impair the ability of Commission Staff, OPC or the State to communicate with or respond to a request from a member of the Texas Legislature or otherwise limit the Commission's ability to support or oppose any particular proposed legislation.

Report: *Oncor has not and, to the best of Oncor's knowledge, none of TEF, Energy Future Holdings Corp. (formerly TXU Corp.) and its subsidiaries, or any legislative advocacy group to which any of the parties are members, have or are supporting or proposing any legislation that would change or subrogate any of the terms of the stipulation approved by the Commission.*

(51) **Transformer Loss Commitment.** Oncor will agree to make an exception to the standard transformer loss adjustment of 0.8% for high-voltage customers that are metered on the low side of the transformer, provided that the customer can provide third-party verification of the actual loss level.

---

[25] *Id.*

[26] *Oncor Electric Delivery Company LLC's Request for Approval of Advanced Metering System (AMS) Deployment Plan and AMS Surcharge*, Docket No. 35718.

Report: *Oncor filed a request with the Commission to revise its Tariff for Retail Delivery Service on March 12, 2008 in Docket No. 35450*[27] *making an exception to the standard transformer loss adjustment of 0.8% for high-voltage customers that are metered on the low side of the transformer, provided that the customer can provide third-party verification of the actual loss level. The Commission approved the revised tariff on April 10, 2008.*

(52) **Transformer Tariff Commitment.** Oncor will propose and support a cost-based retail transformation tariff applicable to industrial customers in its 2008 rate filing. Parties are free to take any position with respect to the proposed tariff.

Report: *Oncor proposed and supported a cost-based retail transformation tariff applicable to industrial customers in its 2008 rate case filing (Docket No. 35717).*[28]

(53) **Compliance Report Commitment.** Oncor will comply with the commitments that are reflected in commitment numbers (1) through (52). Oncor will make annual reports to the Commission regarding its compliance with these commitments.

Report: *Oncor continues to comply with the commitments reflected in item numbers (1) through (52) above. This report satisfies the annual reporting requirement of this commitment number (53) for the 2009 calendar year.*

---

[27] *Compliance Tariff Filing of Oncor Electric Delivery Company LLC Pursuant to Final Order in Docket No. 34077*, Docket No. 35450.

[28] *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 35717.

Respectfully submitted,

ONCOR ELECTRIC DELIVERY COMPANY LLC

By: Howard V. Fisher

Howard V. Fisher
State Bar No. 07051500
Senior Counsel
Oncor Electric Delivery Company LLC
1601 Bryan Street, Suite 23-035C
Dallas, Texas 75201
214.486.3026 Office
214.486.3221 Fax

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was hand delivered, electronically mailed, or sent by overnight delivery or United States first class mail to all parties to PUC Docket No. 34077, *Joint Report and Application of Oncor Electric Delivery Company and Texas Energy Future Holdings Limited Partnership Pursuant to PURA §14.101*, this 14th day of May, 2010.

Howard V. Fisher