



Control Number: 35665



Item Number: 886

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COMMISSION STAFF'S PETITION
FOR THE SELECTION OF ENTITIES
RESPONSIBLE FOR TRANSMISSION
IMPROVEMENTS NECESSARY TO
DELIVER RENEWABLE ENERGY
FROM COMPETITIVE RENEWABLE
ENERGY ZONES

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BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS

2009 NOV 18
11:11 AM

**SUPPLEMENTAL RESPONSE OF ONCOR ELECTRIC DELIVERY COMPANY LLC
TO LONESTAR TRANSMISSION, LLC'S
SECOND REQUEST FOR INFORMATION**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

Oncor Electric Delivery Company LLC ("Oncor") files this Supplemental Response to the aforementioned requests for information.

**I.
Written Responses**

Attached hereto and incorporated herein by reference are Oncor's written responses to the aforementioned requests for information. Each such supplemental response is set forth on or attached to a separate page upon which the request has been restated. Such responses are also made without waiver of Oncor's right to contest the admissibility of any such matters upon hearing. Oncor hereby stipulates that its responses may be treated by all parties exactly as if they were filed under oath.

**II.
Inspections**

In those instances where materials are to be made available for inspection by request or in lieu of a written response, the attached response will so state. For those materials that a response indicates may be inspected at the Austin voluminous room, please call at least 24 hours in advance for an appointment in order to assure that there is sufficient space and someone is available to accommodate your inspection. To make

an appointment at the Austin voluminous room, located at 1005 Congress, Suite B-50, Austin, Texas, or to review those materials that a response indicates may be inspected at their usual repository, please call Teri Smart at 214-486-4832. Inspections will be scheduled so as to accommodate all such requests with as little inconvenience to the requesting party and to company operations as possible.

Respectfully submitted,

ONCOR ELECTRIC DELIVERY COMPANY LLC

By: Allen Nye w/permission

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**ATTORNEYS FOR ONCOR ELECTRIC
DELIVERY COMPANY LLC**

CERTIFICATE OF SERVICE

It is hereby certified that a copy of the foregoing has been hand delivered or sent via overnight delivery or first class United States mail, postage prepaid, to all parties of record in this proceeding, on this the 12th day of November, 2008.

Allen Nye w/permission

SUPPLEMENTAL RESPONSE (11-11-08)

REQUEST:

At Bates page 2709, Lines 21-26, John Casey states: "These credit ratings [BBB+ from S&P, Baa3 from Moody's, and BBB from Fitch] are indicative of Oncor's financial strength and will help provide Oncor significant access to debt capital markets."

(a) On August 28, 2008, Moody's upgraded Oncor's rating from Bal to Baa3. Please admit or deny that the Baa3 is the lowest investment grade rating given by Moody's.

(b) Please admit or deny that prior to this August 28, 2008 credit ratings upgrade by Moody's, Oncor's credit rating of Bal was non-investment grade quality.

(c) Moody's August 29, 2008 Credit Opinion stated that "Oncor's liquidity appears inadequate at this time." This Credit Opinion also states, "Moody's does not view Oncor as having any meaningful sources of alternate liquidity." Please explain Oncor's understanding of these statements and state whether or not Oncor agrees with them. If Oncor does not agree, please provide every basis for its disagreement.

(d) Please admit or deny that that Oncor's liquidity inadequacy as noted in Moody's August 29, 2008 Credit Opinion will not impair Oncor's proposed reliance on internal cash flow, as discussed in RFI 2-1, to fund its \$2.25 billion CTP Proposal.

(e) Please admit or deny that, all other things being equal, a company possessing a credit rating of A from Fitch, a credit rating of A2 from Moody's and a credit rating of A/Stable/A-1 from S&P would be able to secure more favorable and significant access to debt capital markets than a similarly situated company with Oncor's current credit ratings. If you are unable to admit please explain your response fully.

(f) Regarding the portion of the Casey statement above discussing Oncor's "significant access to debt capital markets," please explain how this squares with the August 29, 2008 Moody's Credit Opinion wherein it is stated that, "Our liquidity assessment for the next four quarters specifically precludes any access by Oncor to the capital markets."

SUPPLEMENTAL RESPONSE:

The following supplemental response was prepared by or under the direct supervision of John Casey, the sponsoring witness for this response.

- (a) No change.
- (b) No change.
- (c) No change.
- (d) Oncor's liquidity is not inadequate. See Oncor's response to part (c) of this question. Oncor's reliance upon internal cash flow will not be impaired.
- (e) No change.
- (f) No change.