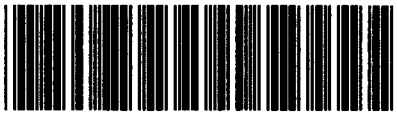

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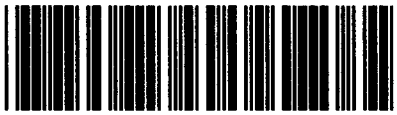

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Addendum StartPage: 0

PUC DOCKET NO. 35717

APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC FOR AUTHORITY TO CHANGE RATES	**§ § §**	**BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS**

SUPPLEMENTAL RESPONSE OF ONCOR ELECTRIC DELIVERY COMPANY LLC TO THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR'S FOURTH REQUEST FOR INFORMATION
QUESTION NOS. RW4-02 AND RW4-05

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 Supplemental 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 supplemental 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 supplemental 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

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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: 

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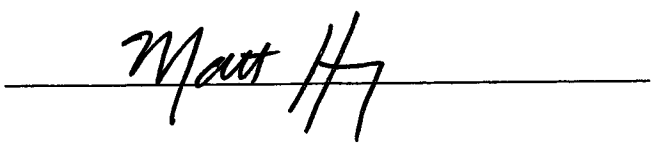
Telephone: 214-486-3026
Facsimile: 214-486-3221

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 9th day of September, 2008.



SUPPLEMENTAL RESPONSE (09-19-08)

REQUEST:

Please provide copies of all prospectuses for any security issuances by Oncor since January 1, 2006.

SUPPLEMENTAL RESPONSE:

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

Please see attached Offering Memorandum for Oncor long-term debt issuance on September 3, 2008.

ATTACHMENT:

ATTACHMENT 1 - .2008 Oncor Offering Memorandum, 56 pages.

$1,500,000,000

Oncor Electric Delivery Company LLC

$650,000,000

5.95% Senior Secured Notes due 2013

$550,000,000

6.80% Senior Secured Notes due 2018

$300,000,000

7.50% Senior Secured Notes due 2038

This is an offering by Oncor Electric Delivery Company LLC (Oncor) of $650,000,000 of its 5.95% Senior Secured Notes due 2013 (2013 Notes), $550,000,000 of its 6.80% Senior Secured Notes due 2018 (2018 Notes) and $300,000,000 of its 7.50% Senior Secured Notes due 2038 (2038 Notes and collectively with the 2013 Notes and 2018 Notes, the Notes). The 2013 Notes, the 2018 Notes and the 2038 Notes will bear interest at the rate of 5.95%, 6.80% and 7.50% a year, respectively. Interest on the Notes will accrue from the date of original issuance. Interest on the 2013 Notes will be payable semi-annually on March 1 and September 1 of each year, beginning on March 1, 2009. Interest on the 2018 Notes will be payable semi-annually on March 1 and September 1 of each year, beginning on March 1, 2009. Interest on the 2038 Notes will be payable semi-annually on March 1 and September 1 of each year, beginning on March 1, 2009. The 2013 Notes will mature on September 1, 2013, the 2018 Notes will mature on September 1, 2018, and the 2038 Notes will mature on September 1, 2038. Oncor may at its option at any time and from time to time redeem all or part of the Notes at a "make-whole" redemption price, together with accrued and unpaid interest to the date of redemption. The Notes will initially have the benefit of a lien on all property acquired or constructed by Oncor for the transmission and distribution of electric energy mortgaged under a deed of trust, as more fully described in this offering memorandum under the heading DESCRIPTION OF THE NOTES — "Security." The Notes will be secured equally and ratably with all of Oncor's other secured indebtedness. As further described in this offering memorandum, the security for the Notes may be released in certain circumstances and subject to certain conditions. Upon any such release, the Notes will cease to be secured and will become Oncor's unsecured general obligations. See DESCRIPTION OF THE NOTES — "Release of Collateral."

Oncor will agree to file an exchange offer registration statement or, under some circumstances, a shelf registration statement, pursuant to a registration rights agreement. In the event Oncor fails to comply with certain of its obligations under the registration rights agreement, Oncor will pay additional interest on the Notes.

Investing in the Notes involves risks. See RISK FACTORS, beginning on page 8 of this offering memorandum.

Price Per 2013 Note: 99.866% plus accrued interest, if any, from September 8, 2008

Price Per 2018 Note: 99.895% plus accrued interest, if any, from September 8, 2008

Price Per 2038 Note: 99.695% plus accrued interest, if any, from September 8, 2008

The Notes are being sold only to "qualified institutional buyers" under Rule 144A under the Securities Act of 1933, as amended (Securities Act), and to non-US persons outside the United States in accordance with Regulation S under the Securities Act. The Notes have not been registered under the Securities Act or the securities laws of any other jurisdiction; therefore, they are subject to certain restrictions on resale described in this offering memorandum under the heading TRANSFER RESTRICTIONS.

The initial purchasers expect to deliver the Notes to investors in book-entry form through the facilities of The Depository Trust Company (DTC) and its participants Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear), and Clearstream Banking, société anonyme (Clearstream Banking), on or about September 8, 2008.

Joint Book Running Managers

Credit Suisse

Goldman, Sachs & Co.

JPMorgan

Lehman Brothers

Senior Co-Managers

Banc of America Securities LLC **Barclays Capital**

Co-Managers

CALYON

Citi

Deutsche Bank Securities

KKR

Morgan Stanley

The date of this offering memorandum is September 3, 2008.

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You should rely only on the information included or incorporated by reference in this offering memorandum and in any written communication from Oncor or the initial purchasers specifying the final terms of this offering. Neither Oncor nor any initial purchaser has authorized anyone else to provide you with additional or different information. If anyone else provides you with additional, different or inconsistent information, you should not rely on it. Neither Oncor nor any initial purchaser is making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front cover of this offering memorandum or that the information incorporated by reference or any written communication from Oncor or the initial purchasers specifying the final terms of this offering is accurate as of any date other than their respective dates. Oncor's business profile, financial condition, results of operations and prospects may have changed since that date.

NOTICE TO INVESTORS

This offering memorandum, and any supplemental document or other information furnished to the initial purchasers or to the holders and prospective purchasers of the Notes, is confidential. Oncor is providing this offering memorandum only to prospective purchasers of the Notes. You should read this offering memorandum before deciding whether to purchase the Notes. Oncor has not authorized the use of this offering memorandum for any other purpose. You may not copy or distribute this offering memorandum in whole or in part to anyone without Oncor's prior consent or the prior consent of the initial purchasers.

Notwithstanding anything herein to the contrary, except as reasonably necessary to comply with applicable securities laws, investors (and each employee, representative or other agent of the investors) may disclose to any and all persons, without limitation of any kind, the United States (US) federal income tax treatment and tax structure of this offering and all materials of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to understanding the US federal income tax treatment of the Notes and does not include information relating to the identity of the issuer, its affiliates, agents or advisors.

The initial purchasers have made no representation or warranty, express or implied, as to the accuracy or completeness of information Oncor has provided, and you may not rely on anything contained in this offering memorandum as a promise or representation by the initial purchasers as to Oncor's past or future results. The initial purchasers have not independently verified any information Oncor has provided and assume no responsibility for the accuracy or completeness of such information.

In connection with this offering, the initial purchasers may engage in transactions that stabilize, maintain or otherwise affect the market price of the Notes, including over-allotment, stabilizing and syndicate short-covering transactions. Such transactions, if commenced, may be discontinued at any time. For a description of these activities, see PLAN OF DISTRIBUTION in this offering memorandum.

In making an investment decision regarding the Notes, you must rely on your own examination of Oncor and its subsidiaries, the terms of this offering and the terms of the Notes, including the merits and risks involved. You should not consider any information in this offering memorandum to be legal, business or tax advice. Neither Oncor nor the initial purchasers are making any representations to any offeree or purchaser of the securities described herein regarding the legality of investment therein by such offeree or purchaser under applicable legal investment or similar laws or regulations. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of Notes.

This offering memorandum contains summaries of certain documents, which Oncor believes are accurate. Oncor refers you to the actual documents for a more complete understanding of what is discussed in this offering memorandum and qualifies all summaries by this reference.

You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this offering memorandum. You must also obtain any consents or approvals that you need in order to purchase the Notes. Neither Oncor nor any initial purchaser is responsible for your compliance with these legal requirements.

Oncor is making this offering in reliance on exemptions from, or in transactions not subject to, the registration requirements of the Securities Act. These exemptions apply to offers and sales of the Notes in the US that do not involve a public offering. The Notes have not been approved or disapproved by the Securities and Exchange Commission (SEC) or any other federal, state or foreign securities authority, and neither the SEC nor any other of these authorities has determined that this offering memorandum is accurate or complete. Any representation to the contrary is a criminal offense.

The Notes are subject to restrictions on transfer and resale, which are described in the TRANSFER RESTRICTIONS section of this offering memorandum. By purchasing any of the Notes, you will be deemed to have represented and agreed to all of the matters contained in that section of this offering memorandum. You may be required to bear the financial risks of your investment in the Notes for an indefinite period of time.

You should contact the initial purchasers with any questions about this offering or if you require additional information to verify the information contained in this offering memorandum. By purchasing any Notes, you will be deemed to have acknowledged that you have reviewed this offering memorandum; that you have had an opportunity to request any additional information that you need from Oncor or the initial purchasers; and that the initial purchasers are not responsible for, and are not making any representation to you concerning, Oncor's future performance or the accuracy or completeness of this offering memorandum.

Notice to New Hampshire Residents

Neither the fact that a registration statement or an application for a license has been filed under RSA 421-B with the state of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the state of New Hampshire constitutes a finding by the secretary of state that any document filed under RSA 421-B is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the secretary of state has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer, or client any representation inconsistent with the provisions of this paragraph.

Notice of Corporate Separateness

Pursuant to commitments made to the Public Utility Commission of Texas, Oncor and its parent company, Energy Future Holdings Corp., have implemented certain structural and operational "ring-fencing" measures that are intended to further separate Oncor from Energy Future Holdings Corp. and certain of its other subsidiaries. See OFFERING MEMORANDUM SUMMARY — "Merger Involving EFH Corp." and Oncor's annual report on Form 10-K for the year ended December 31, 2007 for more information regarding these "ring-fencing" measures. By your receipt of this offering memorandum, you acknowledge the notice of corporate separateness given hereby.

WHERE YOU CAN FIND MORE INFORMATION

Oncor files annual, quarterly and other periodic reports and information with the SEC under File No. 333-100240. These SEC filings are available to the public over the Internet at the SEC's website at http://www.sec.gov. You may also read and copy any of these SEC filings at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room.

Information about Oncor is also available on its web site at http://www.oncor.com. Other than any SEC filings incorporated by reference in this offering memorandum (see INCORPORATION BY REFERENCE), the information available on Oncor's web site is not a part of this offering memorandum.

INCORPORATION BY REFERENCE

Oncor discloses important information to you by referring you to documents that it has filed with the SEC which are "incorporated by reference" in this offering memorandum. The information incorporated by reference is an important part of this offering memorandum. Information that Oncor files in the future with the SEC will automatically update and supersede the information included in this offering memorandum and will also automatically update and supersede any information previously incorporated by reference. Oncor incorporates by reference the documents listed below and any future filings it makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (Exchange Act), excluding information deemed furnished and not filed pursuant to Item 2.02 or Item 7.01 of Form 8-K or as otherwise permitted by the SEC rules, until this offering is terminated:

- annual report on Form 10-K for the year ended December 31, 2007;
- quarterly reports on Forms 10-Q for the quarters ended March 31 and June 30, 2008; and
- current reports on Forms 8-K filed on May 6, 2008, May 30, 2008, July 3, 2008, August 13, 2008, and September 2, 2008.

You may request a copy of these filings, at no cost, by writing or contacting Oncor at the following address: Secretary, Oncor Electric Delivery Company LLC, 1601 Bryan Street, Dallas, Texas 75201; telephone number (214) 486-2000. Oncor will provide to each person, including any beneficial owner, to whom this offering memorandum is delivered, a copy of any or all of the information that has been incorporated by reference in this offering memorandum, but not delivered with this offering memorandum. These filings are also available on Oncor's web site at http://www.oncor.com under "News — Investor Information — SEC Filings." Other than these filings, the information available on Oncor's web site is not a part of this offering memorandum.

REGISTRATION RIGHTS; SEC REVIEW

The Notes have not been registered under the Securities Act or any state securities laws of any state of the US, and may not be offered or sold within the US except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Oncor will agree to file a registration statement with the SEC pursuant to which Oncor will either offer to exchange the Notes for substantially similar notes that are registered under the Securities Act, or in certain circumstances, register the resale of the Notes. For a description of this agreement, see REGISTERED EXCHANGE OFFER; REGISTRATION RIGHTS.

In the course of any review by the SEC of Oncor's annual report on Form 10-K for the year ended December 31, 2007 that Oncor has filed, or any documents it files in the future with the SEC, or of the exchange offer registration statement, the registration statement containing a "market-making prospectus" and (if necessary) shelf registration statement that Oncor will agree to file, Oncor may be required to make changes to financial and other information and data included or incorporated by reference in this offering memorandum. Comments by the SEC on Oncor's annual report on Form 10-K for the year ended December 31, 2007, any future documents it files with the SEC or the exchange offer registration statement, the registration statement containing a "market-making prospectus" and any shelf registration statement may require modification or reformulation of the information Oncor presents in this offering memorandum and any required modification or reformulation could be significant.

FORWARD-LOOKING STATEMENTS

This offering memorandum, including the incorporated documents, and other presentations made by Oncor contain "forward-looking statements" within the meaning of Section 21E of the Exchange Act. All statements, other than statements of historical facts, that are included in this offering memorandum, including the incorporated documents, as well as statements made in presentations in response to questions or otherwise, that address activities, events or developments that Oncor expects or anticipates to occur in the future, including such matters as projections, capital allocation, future capital expenditures, business strategy, competitive strengths, goals, future acquisitions or dispositions, development or operation of facilities, market and industry developments and the growth of Oncor's business and operations (often, but not always, through the use of words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "projection," "target," "outlook"), are forward-looking statements. Although Oncor believes that in making any such forward-looking statement its expectations are based on reasonable assumptions, any such forward-looking statement involves uncertainties and is qualified in its entirety by reference to the discussion of risk factors under RISK FACTORS in this offering memorandum and in the annual, quarterly and other reports filed by Oncor with the SEC under the Exchange Act, and the following important factors, among others, that could cause Oncor's actual results to differ materially from those projected in such forward-looking statements:

- prevailing governmental policies and regulatory actions, including those of the Texas Legislature, the Governor of Texas, the Federal Energy Regulatory Commission and the Public Utility Commission of Texas, with respect to:
  - allowed rate of return;
  - permitted capital structure;
  - industry, market and rate structure;
  - recovery of investments;
  - acquisitions and disposals of assets and facilities;
  - operation and construction of facilities;
  - changes in tax laws and policies; and
  - changes in and compliance with environmental and safety laws and policies;
- legal and administrative proceedings and settlements;
- weather conditions and other natural phenomena, and acts of sabotage, wars or terrorist activities;
- unanticipated population growth or decline, and changes in market demand and demographic patterns;
- changes in business strategy, development plans or vendor relationships;
- Oncor's ability to effectively execute its operational strategy;
- unanticipated changes in interest rates or rates of inflation;
- unanticipated changes in operating expenses, liquidity needs and capital expenditures;
- commercial bank market and capital market conditions;
- the credit quality and/or inability of various counterparties to meet their financial obligations to Oncor;
- general industry trends;
- hazards customary to the industry and the possibility that Oncor may not have adequate insurance to cover losses resulting from such hazards;
- changes in technology used by and services offered by Oncor;

- significant changes in Oncor's relationship with its employees, including the availability of qualified personnel, and the potential adverse effects if labor disputes or grievances were to occur;
- significant changes in critical accounting policies material to Oncor;
- Oncor's ability to borrow additional funds and access capital markets;
- the satisfaction of conditions necessary to close, as well as the closing of an agreed sale of a minority interest in Oncor;
- operating and financial restrictions placed on Oncor by the revolving credit facility and indentures governing its debt instruments (including the Notes);
- Oncor's ability to generate sufficient cash flow to make interest payments on the Notes; and
- actions by credit rating agencies, including in connection with the closing of the sale of a minority interest in Oncor.

Any forward-looking statement speaks only as of the date on which it is made, and Oncor undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for Oncor to predict all of them. Oncor cannot assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

OFFERING MEMORANDUM SUMMARY

This summary highlights selected information from this offering memorandum and does not contain all the information that may be important to you in deciding whether to purchase any of the Notes. You should read the entire offering memorandum, including the incorporated documents, before making your investment decision. This offering memorandum contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995). Forward-looking statements should be read with the cautionary statements in this offering memorandum under the heading FORWARD-LOOKING STATEMENTS and the important factors discussed in this offering memorandum and in the incorporated documents. You should pay special attention to the RISK FACTORS section of this offering memorandum and in the incorporated documents. Unless the context otherwise requires or as otherwise indicated all references to "Oncor" include Oncor's consolidated subsidiary.

Oncor

Oncor is an indirect wholly-owned subsidiary of Energy Future Holdings Corp. (formerly TXU Corp. (EFH Corp.)). Oncor is a regulated electricity transmission and distribution company that provides the essential service of delivering electricity safely, reliably and economically to end-use consumers through its distribution systems, as well as providing transmission grid connections to merchant generation plants and interconnections to other transmission grids in Texas. Oncor is neither a seller of electricity nor a purchaser of electricity for resale. It provides transmission services to other electricity distribution companies, cooperatives and municipalities. It provides distribution services to retail electric providers (REPs) that sell power to retail customers in the north-central, eastern and western parts of Texas.

Oncor operates the largest distribution and transmission system in Texas, delivering electricity to more than three million homes and businesses and operating more than 116,000 miles of transmission and distribution lines in Texas. Most of Oncor's power lines have been constructed over lands of others pursuant to easements or along public highways, streets and rights-of-way as permitted by law. At June 30, 2008, Oncor had approximately 3,500 full-time employees.

Transmission

Oncor's electricity transmission business is responsible for the safe and reliable operations (including construction and maintenance) of its transmission network and substations and the monitoring, controlling and dispatching of high-voltage electricity over Oncor's transmission facilities in coordination with the Electric Reliability Council of Texas, the Independent System Operator and the regional reliability coordinator of the various electricity systems within Texas (ERCOT). Oncor is a member of ERCOT, and the transmission business actively supports the operations of ERCOT and market participants. The transmission business participates with ERCOT and other member utilities to plan, design, construct and operate new transmission lines, with regulatory approval, necessary to maintain reliability, interconnect to merchant power plants, increase bulk power transfer capability and minimize limitations and constraints on the ERCOT transmission grid.

Transmission revenues are provided under tariffs approved by either the Public Utility Commission of Texas (Commission) or, to a small degree related to an interconnection to other markets, Federal Energy Regulatory Commission (FERC). Provisions of the 1999 legislation that restructured the electric utility industry in Texas to provide for retail competition allow Oncor to annually update its transmission rates to reflect changes in invested capital. These provisions encourage investment in the transmission system to help ensure reliability and efficiency by allowing for timely recovery of and return on new transmission investments.

Oncor's transmission facilities include 4,873 circuit miles of 345-kV transmission lines and 9,789 circuit miles of 138-and 69-kV transmission lines. Fifty-six generation plants totaling 36,569 MW are directly connected to Oncor's transmission system, and 268 transmission stations and 708 distribution substations are served from Oncor's transmission system.

Distribution

Oncor's electricity distribution business is responsible for the overall safe and efficient operation of distribution facilities, including electricity delivery, power quality and system reliability. These responsibilities consist of the ownership, management, construction, maintenance and operation of the distribution system within Oncor's certificated service area. Oncor's distribution system receives electricity from the transmission system through substations and distributes electricity to end-users and wholesale customers through approximately 3,000 distribution feeders.

Oncor's distribution system includes over three million points of delivery. Over the past five years, the number of Oncor's distribution system points of delivery served, excluding lighting sites, has been growing an average of approximately 1.5% per year, adding approximately 45,000 points of delivery in 2007. Oncor's distribution system consists of 56,171 miles of overhead primary conductors, 21,711 miles of overhead secondary and street light conductors, 14,972 miles of underground primary conductors and 9,351 miles of underground secondary and street light conductors. The majority of the distribution system operates at 25-kV and 12.5-kV.

Customers

Oncor's transmission customers consist of municipalities, electric cooperatives and other distribution companies. Oncor's distribution customers consist of approximately 85 REPs (as of August 20, 2008) in Oncor's service area, including TXU Energy Retail Company LLC, a wholly-owned indirect subsidiary of EFH Corp. Distribution revenues from TXU Energy Retail Company LLC represented 41% of Oncor's total revenues for 2007. The retail customers who purchase and consume electricity delivered by Oncor are free to choose their electricity supplier from REPs who compete for their business. At June 30, 2008, accounts receivable from Oncor's affiliated customers totaled $171 million and accounts receivable from Oncor's unaffiliated customers totaled $266 million.

Regulation

Oncor's transmission and distribution rates are regulated by the Commission and certain cities and are subject to cost-of-service regulation and annual earnings oversight.

Miscellaneous

Neither EFH Corp. nor any of its subsidiaries or affiliates other than Oncor Electric Delivery Company LLC will be obligated on, guarantee or provide other credit or funding support for, the Notes.

The foregoing information about the businesses of Oncor is only a general summary and is not intended to be comprehensive. For additional information, you should refer to the information described under the headings WHERE YOU CAN FIND MORE INFORMATION and INCORPORATION BY REFERENCE.

Oncor Electric Delivery Company LLC is a Delaware limited liability company. The mailing address of Oncor's principal executive offices is 1601 Bryan Street, Dallas, Texas 75201; Oncor's telephone number is (214) 486-2000.

Merger Involving EFH Corp.

On February 25, 2007, EFH Corp. entered into an Agreement and Plan of Merger (Merger Agreement), with Texas Energy Future Holdings Limited Partnership (Merger Sub Parent) and Texas Energy Future Merger Sub Corp. (Merger Sub), providing for the merger of EFH Corp. with Merger Sub (Merger). Merger Sub Parent and Merger Sub are entities directly and indirectly owned by investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P., TPG Capital, L.P. and GS Capital Partners, an affiliate of Goldman, Sachs & Co. (Sponsors).

The Merger closed on October 10, 2007. As a result of the Merger, EFH Corp. became a subsidiary of Merger Sub Parent, which is controlled by the Sponsors, and substantially all of the outstanding shares of common stock of EFH Corp. were converted into the right to receive $69.25 per share. In connection with the

Merger, Oncor was converted from a Texas corporation to a Delaware limited liability company under the laws of the States of Texas and Delaware and Oncor's parent entered into a limited liability company agreement.

As part of the Merger, EFH Corp. and Oncor have implemented certain structural and operational "ring-fencing" measures based on commitments made by Merger Sub Parent and Oncor to the Commission. These measures are intended to enhance the separateness between Oncor Electric Delivery Holdings Company LLC (Oncor's parent) and its subsidiaries (collectively, the Oncor Ring-Fenced Entities) and Merger Sub Parent and its direct and indirect subsidiaries other than the Oncor Ring-Fenced Entities (collectively, Texas Holdings Group). These measures also serve to mitigate Oncor's credit exposure to those entities and to reduce the risk that the assets and liabilities of Oncor would be substantively consolidated with the assets and liabilities of Merger Sub Parent or any of its other subsidiaries in the event of a bankruptcy of one or more of those entities. The assets and liabilities of the Oncor Ring-Fenced Entities are separate and distinct from those of the Texas Holdings Group, and none of the assets of the Texas Holdings Group will be available to satisfy the debts or other obligations of the Oncor Ring-Fenced Entities. Moreover, the cash flows of the Oncor Ring-Fenced Entities and their results of operations are separate from those of the Texas Holdings Group. The Oncor Ring-Fenced Entities' are also prohibited from providing credit support to, or receiving credit support from, the Texas Holdings Group.

Equity Contributions

At the closing of the Merger, Merger Sub Parent received an aggregate equity investment of approximately $8.3 billion. Investment funds affiliated with the Sponsors, or their respective assignees, contributed approximately $5.1 billion to Merger Sub Parent. In addition, Citigroup Global Markets Inc. and Morgan Stanley & Co. Incorporated, each of which is an initial purchaser participating in this offering, or their respective affiliates, each made equity investments of approximately $250 million in Merger Sub Parent. The Sponsors obtained approximately $2.3 billion in equity investments from other existing investors in Kohlberg Kravis Roberts & Co. L.P. and TPG Capital, L.P.'s private equity funds and other third party investors. Following the closing of the Merger, the Sponsors owned approximately 62% of the limited partnership units issued by Merger Sub Parent in connection with the Merger. In addition, investment funds affiliated with Lehman Brothers Inc., an initial purchaser participating in this offering, contributed approximately $412 million in equity investments. Lehman Brothers' equity contribution represents less than 5% of the limited partnership units issued in connection with the Merger.

Recent Developments — Minority Interest Sale

On August 12, 2008, Oncor entered into a Contribution and Subscription Agreement (Contribution Agreement), with Texas Transmission Investment LLC, an entity indirectly owned by a private investment group led by the OMERS Administration Corporation, acting through its infrastructure investment entity Borealis Infrastructure Management Inc., and the Government of Singapore Investment Corporation Pte Ltd., acting through its private equity and infrastructure subsidiary GIC Special Investments Pte Ltd. (Buyer). Pursuant to the Contribution Agreement Oncor agreed to issue and sell between 19.75% and 19.97% of its equity interests to the Buyer (Issuance).

In connection with the announcement of the Issuance, Standard & Poor's Rating Services (S&P) and Moody's Investors Service, Inc. (Moody's) upgraded Oncor's issuer rating and credit ratings for senior unsecured debt and senior secured debt from BBB- to BBB+ and from Bal to Baa3, respectively.

The consideration for the equity interests to be issued and sold to the Buyer will be approximately $1.254 billion (assuming the purchase by the Buyer of a 19.75% equity interest in Oncor). At the closing of the Issuance, Oncor also expects to offer and sell up to 0.22% of its outstanding equity interests to certain members of Oncor's management team (Management Equity Offering). The Buyer has agreed to purchase any portion of the 0.22% of Oncor's outstanding equity interests not purchased in the Management Equity Offering, with a pro rata increase in the aggregate purchase price to be paid by the Buyer. Accordingly, immediately after the closing of the Issuance and the Management Equity Offering, EFH Corp. will indirectly

own 80.03% of Oncor, Oncor management will own up to 0.22% of Oncor and the Buyer will own approximately 19.75% of Oncor.

The proceeds to be received by Oncor from the Buyer upon completion of the Issuance and the Management Equity Offering are expected to be distributed ultimately to EFH Corp. as the indirect parent company of Oncor.

Each of the parties' obligations to complete the Issuance are subject to various conditions, including, among others, the following: (1) the determination by the Committee on Foreign Investment in the United States (CFIUS) that the transactions contemplated by the Contribution Agreement are not subject to Section 721 of the Defense Production Act of 1950, as amended, or the determination by CFIUS that there are no unresolved national security concerns with respect to such transactions and action under Section 721 is therefore concluded, or receipt of notice that the President of the United States will not act to prohibit, suspend or otherwise prevent such transactions, (2) the receipt by the Buyer of an irrevocable and legally binding equity commitment from an additional third-party investor to acquire between 1% and 5% (up to approximately $63 million) of the capital stock and shareholder debt of the Buyer's direct parent and (3) the confirmation that, as of completion of the Issuance, certain of the Buyer's indirect investors do not own direct or indirect equity interests in EFH Corp. Oncor currently expects that the Issuance will close in the fourth quarter of 2008; however, there can be no assurance that the Issuance will be completed.

The Contribution Agreement may be terminated (1) by mutual consent of the parties if the Issuance has not occurred by December 31, 2008 or (2) by either Oncor or the Buyer, as the case may be, upon certain material breaches of the Contribution Agreement by the other party.

In connection with the Issuance, Oncor, the Buyer, EFH Corp. and certain other subsidiaries of EFH Corp. have agreed to enter into several other agreements at the closing. These agreements will, among other things, establish the parties' respective governance and other rights in respect of their direct and indirect ownership interests in Oncor.

In accordance with applicable securities laws, the equity interests in Oncor issued to the Buyer will be restricted securities and will be issued in a private transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof and Regulation D thereunder.

THE NOTES

Issuer	Oncor Electric Delivery Company LLC.
The Notes	Oncor is offering $1,500,000,000 aggregate principal amount of Senior Secured Notes consisting of: • $650,000,000 principal amount of 5.95% Senior Secured Notes due 2013; • $550,000,000 principal amount of 6.80% Senior Secured Notes due 2018; and • $300,000,000 principal amount of 7.50% Senior Secured Notes due 2038.
Indenture	Oncor will issue the Notes under the indenture (Indenture) dated as of August 1, 2002, as amended and supplemented, between Oncor and The Bank of New York Mellon, as trustee (Trustee).
Ranking	The Notes will be senior secured obligations of Oncor and will rank *pari passu* with Oncor's other secured indebtedness. The Notes will be senior in right of payment to all subordinated indebtedness. At June 30, 2008, Oncor had $4,490 million principal amount of senior secured debt outstanding (which does not include $928 million of transition bonds issued by a bankruptcy-remote financing subsidiary of Oncor, which are not secured by the Collateral (as defined below)).
Collateral	Oncor's obligations under the Notes will be secured by a lien on all property acquired or constructed by Oncor for the transmission and distribution of electric energy, mortgaged under Oncor's deed of trust (Deed of Trust), dated as of May 15, 2008, from Oncor to The Bank of New York Mellon, as collateral agent, as described in the Deed of Trust (Collateral). See DESCRIPTION OF THE NOTES — "Security."
Release of Collateral	The lien of the Deed of Trust may be released if Oncor fully pays all amounts under its revolving credit facility and terminates the commitment thereunder. In addition, the lien of the Deed of Trust may be released as more fully described under DESCRIPTION OF THE NOTES — "Release of Collateral." Upon release of the lien, the Notes will cease to be secured obligations of Oncor and will become senior unsecured general obligations of Oncor and will rank *pari passu* with all of Oncor's other senior unsecured indebtedness.
Maturity	The 2013 Notes will mature on September 1, 2013; the 2018 Notes will mature on September 1, 2018; and the 2038 Notes will mature on September 1, 2038.
Interest Rate	The 2013 Notes, 2018 Notes and 2038 Notes will bear interest at an annual rate equal to 5.95%, 6.80% and 7.50%, respectively. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and with respect to any period less than a full month, on the basis of the actual number of days elapsed during the period.

Interest Payment Dates	Interest on the Notes will accrue from the date of original issuance. Oncor will pay interest on the Notes semi-annually for: • the 2013 Notes on March 1 and September 1 of each year, beginning on March 1, 2009; • the 2018 Notes on March 1 and September 1 of each year, beginning on March 1, 2009; and • the 2038 Notes on March 1 and September 1 of each year, beginning on March 1, 2009.
Optional Redemption	Oncor may at its option redeem all or part of the Notes at the respective "make-whole" redemption prices discussed in this offering memorandum under DESCRIPTION OF THE NOTES — "Optional Redemption," plus accrued and unpaid interest to the redemption date.
Limitation of Secured Debt	If any of the Notes are outstanding under the Indenture, Oncor will not issue, incur or assume any debt secured by a lien upon any of Oncor's property (other than Excepted Property, as defined in the Indenture), except for certain permitted secured debt, unless the Notes are also secured by that lien, without the consent of the holders of a majority of all outstanding securities issued under the Indenture, including the Notes. See DESCRIPTION OF THE NOTES — "Limitation on Secured Debt."
Risk Factors	An investment in the Notes involves risks. You should carefully consider each of the factors described in the section of this offering memorandum titled RISK FACTORS and risk factors incorporated herein by reference before purchasing any Notes.
Use of Proceeds	Oncor intends to use the proceeds from the sale of the Notes to repay borrowings under its revolving credit facility, including loans made under the revolving credit facility by certain of the initial purchasers or their affiliates and for general corporate purposes. See USE OF PROCEEDS.
Ratings	The Notes are expected to be assigned credit ratings of Baa3 by Moody's, BBB+ by S&P and BBB by Fitch Ratings, Inc. (Fitch). A credit rating reflects only the view of a rating agency, and it is not a recommendation to buy, sell or hold the Notes. Any credit rating can be revised upward or downward or withdrawn at any time by a rating agency if such rating agency decides that circumstances warrant that change.
Form and Denomination	Notes sold to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act (Rule 144A)) in reliance upon Rule 144A will be represented by global certificates deposited with, or on behalf of, DTC or its nominee. Notes sold in reliance on Regulation S under the Securities Act (Regulation S) will be represented by separate global certificates deposited with, or on behalf of, DTC or its nominee for the accounts of Euroclear and Clearstream Banking. See DESCRIPTION OF THE NOTES — "Book-Entry." The Notes will be issuable in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Resale and Transfer Restrictions	The Notes will be sold: • to qualified institutional buyers pursuant to transactions exempt from registration under the Securities Act; and/or • in offshore transactions complying with Regulation S. The Notes have not been registered under the Securities Act. Resales and transfers of the Notes may be made only in accordance with an applicable exemption from, or in transactions not subject to, registration under the Securities Act.
Exchange Offer; Registration Rights . . .	Under a registration rights agreement to be executed as part of this offering, Oncor will agree to, subject to certain exceptions, file a registration statement with the SEC with respect to a registered offer to exchange the Notes for publicly registered notes, or under certain circumstances, a shelf registration statement to cover resales of the Notes. Oncor will also file a registration statement containing a "market-making prospectus." Oncor will also agree to pay additional interest on the Notes if it does not comply with certain of its obligations under the registration rights agreement. See REGISTERED EXCHANGE OFFER; REGISTRATION RIGHTS.
Trustee; Paying Agent; Collateral Agent	The Bank of New York Mellon.
Governing Law	The Indenture and the Notes provide that they will be governed by, and construed in accordance with, the laws of the State of New York, except to the extent that the Trust Indenture Act of 1939, as amended (Trust Indenture Act) is applicable and except to the extent that the law of the State of Texas mandatorily governs.

RISK FACTORS

In addition to all of the other information contained or incorporated by reference in this offering memorandum, you should carefully consider the following risks and uncertainties in evaluating an investment in the Notes. The risks and uncertainties described below are not the only ones Oncor may face. Additional risks and uncertainties not presently known to Oncor or that Oncor currently considers immaterial may impair the operation of its business. Each of the risks and uncertainties described below could have a material adverse effect on Oncor's business, financial condition and/or results of operations and could result in a loss or a decrease in the value of the Notes.

Risks Related to Oncor's Business

Oncor's business is subject to ongoing complex governmental regulations and legislation that have impacted, and may in the future impact, Oncor's business and/or results of operations.

Oncor's business operates in changing market environments influenced by various state and federal legislative and regulatory initiatives regarding the restructuring of the energy industry. Oncor will need to adapt to these changes.

Oncor's business is subject to changes in state and federal laws (including the Public Utility Regulatory Act (PURA), the Federal Power Act, the Public Utility Regulatory Policies Act of 1978 and the Energy Policy Act of 2005) and changing governmental policy and regulatory actions (including those of the Commission, the FERC, the Texas Commission on Environmental Quality and the US Environmental Protection Agency) with respect to matters including, but not limited to, market structure and design, construction and operation of transmission facilities, acquisition, disposal, depreciation and amortization of regulated assets and facilities, recovery of costs and investments and return on invested capital. Changes in, revisions to or reinterpretations of existing laws and regulations (particularly with respect to rate recovery), together with new laws and regulations, may have an adverse effect on Oncor's business.

Although the 2007 Texas Legislative Session closed without passage of legislation that significantly negatively impacted Oncor's business, the legislature did adopt legislation that likely requires prior Commission approval for any future direct or indirect disposition of Oncor, and ensures that the Commission will have authority to enforce commitments made in a filing on or after May 1, 2007 under PURA Section 14.101 (such as the filing in connection with the Merger made by Merger Sub Parent and Oncor on April 25, 2007 and approved by the Commission in February 2008). There can be no assurance that future action of the Texas Legislature will not result in legislation that could have a material adverse effect on Oncor and its financial prospects.

The rates of Oncor's business are subject to regulatory review.

The rates assessed by Oncor are regulated by the Commission and certain cities and are subject to cost-of-service regulation and annual earnings oversight. This regulatory treatment does not provide any assurance as to achievement of earnings levels. Oncor's rates are regulated based on an analysis of Oncor's costs and capital structure, as reviewed and approved in a regulatory proceeding. While rate regulation is premised on the full recovery of prudently incurred costs and a reasonable rate of return on invested capital, there can be no assurance that the Commission will judge all of Oncor's costs to have been prudently incurred, that the Commission will not reduce the amount of invested capital included in the capital structure that Oncor's rates are based upon or that the regulatory process in which rates are determined will always result in rates that will produce full recovery of Oncor's costs, including regulatory assets reported in the balance sheet and the return on invested capital allowed by the Commission.

In 2004, certain cities within Oncor's service territory, acting in their role as a regulatory authority (with original jurisdiction), initiated inquiries to determine if Oncor's Commission-established rates were just and reasonable. Oncor entered into settlements with the cities deferring rate action, but requiring Oncor to file a rate case in 2008 unless Oncor and the cities mutually agree that such a filing is unnecessary.

In October 2007, several parties to a proceeding before the Commission related to the Merger, including Oncor and the Commission staff, agreed on the terms of a stipulation to resolve all of the outstanding issues in the proceeding. In January 2008, the Commission approved the stipulation and the final order was entered in February 2008. One of the terms of the stipulation is the dismissal of the Oncor rate case ordered by the Commission in April 2007 and filed in August 2007, which was based on a test year ended December 31, 2006. As a result of the final order on the stipulation, the Commission entered another order dismissing this rate case on June 30, 2008. The stipulation required Oncor to file a general rate case no later than July 1, 2008, based on a test year ended December 31, 2007.

In accordance with the stipulation, on June 27, 2008, Oncor filed a general case for a rate review with the Commission and 204 cities, as previously committed to in an agreement with state leaders and other important stakeholders and required by a related Commission order described above. If approved as requested, this review would result in an aggregate annual rate increase of approximately $275 million. The Commission, cities and other participating parties, with input from Oncor, are expected to set a schedule for consideration of Oncor's request. A resolution of Oncor's proposed increase is expected to occur in 2009. Upon such resolution, any resulting rate changes will commence.

In addition, in connection with the Merger, Oncor has made several commitments to the Commission regarding its rates. For example, Oncor committed that it will, in its 2008 general rate case, support a cost of debt that does not exceed its actual cost of debt immediately prior to the announcement of the Merger. As a result, Oncor may not be able to recover debt costs above its cost of debt prior to the Merger.

While Oncor believes its rates are just and reasonable, it cannot predict the results of any rate case. Any adverse regulatory ruling, including reductions in rates, could have an adverse effect on Oncor's business and results of operations.

The litigation environment in which Oncor operates poses a significant risk to its business.

Oncor is involved in the ordinary course of business in a number of lawsuits involving employment, commercial, environmental and injuries and damages issues, among other matters. Judges and juries in the State of Texas have demonstrated a willingness to grant large verdicts, including punitive damages, to plaintiffs in personal injury, property damage and business tort cases. Oncor uses legal and appropriate means to contest litigation threatened or filed against it, but the litigation environment in the State of Texas poses a significant business risk.

Disruptions at power generation facilities owned by third parties could interrupt Oncor's sales of transmission and distribution services.

The electricity Oncor transmits and distributes to customers of REPs is obtained by the REPs from electricity generation facilities. Oncor does not own or operate any generation facilities. If generation is disrupted or if generation capacity is inadequate, Oncor's sales of transmission and distribution services may be diminished or interrupted, and its results of operations, financial condition and cash flows may be adversely affected.

Oncor's revenues and results of operations are seasonal.

A significant portion of Oncor's revenues is derived from rates that Oncor collects from each REP based on the amount of electricity Oncor distributes on behalf of such REP. Sales of electricity to residential and commercial customers are influenced by temperature fluctuations. Thus, Oncor's revenues and results of operations are subject to seasonality, weather conditions and other changes in electricity usage, with revenues being higher during the warmer months.

The operation and maintenance of electricity delivery facilities involves significant risks that could adversely affect Oncor's results of operations and financial condition.

The operation and maintenance of delivery facilities involves many risks, including breakdown or failure of facilities, lack of sufficient capital to maintain the facilities, impact of unusual or adverse weather conditions or other natural events, as well as the risk of performance below expected levels of efficiency or reliability, the occurrence of any of which could result in lost revenues and/or increased expenses that may not be recoverable through rates. A significant number of Oncor's facilities were constructed many years ago. In particular, older transmission and distribution equipment, even if maintained in accordance with good engineering practices, may require significant capital expenditures to keep operating at peak efficiency or reliability. The risk of increased maintenance and capital expenditures arises from damage to facilities due to storms, natural disasters, wars, terrorist acts and other catastrophic events. Further, Oncor's ability to successfully and timely complete capital improvements to existing facilities or other capital projects is contingent upon many variables and subject to substantial risks. Should any such efforts be unsuccessful, Oncor could be subject to additional costs that may not be recoverable through rates and/or the write-off of its investment in the project or improvement.

Insurance, warranties or performance guarantees may not cover all or any of the lost revenues or increased expenses. Likewise, Oncor's ability to obtain insurance, and the cost of and coverage provided by such insurance, could be affected by events outside Oncor's control.

Ongoing performance improvement initiatives may not achieve desired cost reductions and may instead result in significant additional costs if unsuccessful.

The implementation of performance improvement initiatives identified by management may not produce the desired reduction in costs and may result in disruptions arising from employee displacements and the rapid pace of changes to organizational structure and operating practices and processes. Specifically, Oncor is subject to the risk that the joint venture outsourcing arrangement with Capgemini Energy LP, a subsidiary of Cap Gemini North America Inc. (Capgemini) that provides business process support services or other similar arrangements may not produce the desired cost savings. If the Capgemini arrangement is terminated or modified in the future, or if Capgemini becomes financially unable to perform its obligations, Oncor would incur transition costs, which would likely be significant and would be subject to operational difficulties. Such additional costs or operational difficulties could have an adverse effect on Oncor's business and financial prospects and may not be recoverable through rates.

Changes in technology may reduce the value of Oncor's electricity delivery facilities and may significantly impact Oncor's businesses in other ways as well.

Research and development activities are ongoing to improve existing and alternative technologies to produce electricity, including gas turbines, fuel cells, microturbines and photovoltaic (solar) cells. It is possible that advances in these or other technologies will reduce the costs of electricity production from these technologies to a level that will enable these technologies to compete effectively with traditional generation plants. Also, electricity demand could be reduced by increased conservation efforts and advances in technology, which could likewise significantly reduce the value of Oncor's electricity delivery facilities. Changes in technology could also alter the channels through which retail electric customers buy electricity. To the extent self-generation facilities become a more cost-effective option for certain customers, Oncor's revenues could be reduced.

Oncor's revenues are concentrated in a small number of customers.

Oncor's revenues from the distribution of electricity are collected from approximately 85 REPs as of August 20, 2008, including TXU Energy Retail Company LLC, a wholly-owned indirect subsidiary of EFH Corp., that sell the electricity Oncor distributes to their customers. Distribution revenues from TXU Energy Retail Company LLC represented 41% of Oncor's total revenues for 2007. Adverse economic conditions, structural problems in the market served by ERCOT or financial difficulties of one or more REPs could impair

the ability of these retail providers to pay for Oncor's services or could cause them to delay such payments. Oncor depends on these REPs to timely remit these revenues to Oncor. Oncor could experience delays or defaults in payment from these REPs, which could adversely affect Oncor's cash flows, financial condition and results of operations.

Oncor's results of operations and financial condition could be negatively impacted by any development or event beyond its control that causes a material economic weakness in the ERCOT market.

Oncor derives substantially all of its revenues from operations in the ERCOT market, which covers approximately 75% of the geographical area in the State of Texas. As a result, regardless of the state of the economy in areas outside the ERCOT market, economic weakness in the ERCOT market could lead to reduced demand for electricity in the ERCOT market. Such a reduction could have a material negative impact on Oncor's results of operations and financial condition.

Oncor's capital deployment program may not be executed as planned, which could adversely impact its financial condition and results of operations.

There can be no guarantee that the execution of Oncor's capital deployment program for its electricity delivery facilities will be successful and there can be no assurance that the capital investments Oncor intends to make in connection with its electricity delivery business will produce the desired reductions in cost and improvements to service and reliability. In addition, there can be no guarantee that Oncor's capital investments will ultimately be recoverable through rates or, if recovered, that they will be recovered on a timely basis.

Oncor's credit ratings could negatively affect its ability to access capital.

Downgrades in Oncor's credit ratings generally cause borrowing costs to increase and the potential pool of investors and funding sources to decrease. In connection with the Merger, Fitch, Moody's and S&P downgraded Oncor's credit ratings. On August 12, 2008, Oncor entered into an agreement for the proposed sale of between 19.75% and 19.97% of equity interests in Oncor. The proposed sale of a minority interest is intended to further enhance Oncor's separation from the Texas Holdings Group. In addition, in connection with the announcement of the agreement to sell the minority interest, S&P and Moody's upgraded Oncor's issuer rating and credit ratings for senior unsecured debt and senior secured debt from BBB− to BBB+ and from Bal to Baa3, respectively. Completion of the proposed sale of the minority interest is subject to various conditions, including the receipt of certain regulatory approvals. Oncor can make no assurances that the proposed sale will be completed. Should the sale not be completed, Oncor's credit ratings could be adversely affected, including a downgrade to non-investment grade. In the event any downgrade occurs and causes Oncor's borrowing costs to increase, Oncor may not be able to recover such increased costs as a result of the commitment it made to the Commission in connection with the Merger that it will, in its 2008 general rate case, seek recovery for a cost of debt that does not exceed its actual cost of debt immediately prior to the announcement of the Merger.

Most of Oncor's large customers, suppliers and counterparties require an expected level of creditworthiness in order for them to enter into transactions. If Oncor's credit ratings decline, the costs to operate Oncor's businesses would likely increase because counterparties could require the posting of collateral in the form of cash-related instruments, or counterparties could decline to do business with Oncor. A downgrade in these ratings may also adversely affect the market price of the Notes, assuming a market for the Notes develops.

The loss of the services of Oncor's key management and personnel could adversely affect Oncor's ability to operate its business.

Oncor's future success will depend on its ability to continue to attract and retain highly qualified personnel. Oncor competes for such personnel with many other companies, in and outside Oncor's industry, government entities and other organizations. Oncor may not be successful in retaining its current personnel or in hiring or retaining qualified personnel in the future. Additionally, the Merger may have a negative impact

on Oncor's ability to attract and retain key management and other employees. Oncor's failure to attract new personnel or retain its existing personnel could have a material adverse effect on Oncor's businesses.

In the future, Oncor could have liquidity needs that could be difficult to satisfy under some circumstances.

Oncor's operations are capital intensive. Oncor relies on access to financial markets as a significant source of liquidity for capital requirements not satisfied by cash-on-hand or operating cash flows. The inability to raise capital on favorable terms, particularly during times of uncertainty similar to that which is currently being experienced in the financial markets, could impact Oncor's ability to sustain and grow its business and would likely increase capital costs that may not be recoverable through rates. Oncor's access to the financial markets, and the pricing and terms Oncor receives in the financial markets, could be adversely impacted by various factors, such as:

- changes in credit markets that reduce available credit or the ability to renew existing liquidity facilities on acceptable terms;
- economic weakness in the ERCOT market;
- inability to access commercial paper markets;
- changes in interest rates;
- a deterioration of the credit of EFH Corp. or EFH Corp.'s other subsidiaries or a reduction in the credit ratings of EFH Corp. or EFH Corp.'s other subsidiaries that is perceived to potentially have an adverse impact on Oncor despite the ring-fencing of the Oncor Ring-Fenced Entities from the Texas Holdings Group;
- a material breakdown in Oncor's risk management procedures; and
- the occurrence of material adverse changes in Oncor's business that restrict Oncor's ability to access its liquidity facilities.

Oncor's primary source of liquidity aside from operating cash flows is its ability to borrow under its revolving credit facility. The facility contains a debt to capital ratio covenant that effectively limits Oncor's ability to incur indebtedness in the future. Under the facility, Oncor is required to maintain a debt to capital ratio of no more than 0.65 to 1.00. Similarly, in connection with the Merger, Oncor committed to the Commission that it would maintain a regulatory capital structure at or below the assumed debt to equity ratio established periodically by the Commission for ratemaking purposes, which is currently set at 60% debt to 40% equity.

Oncor's ring-fencing measures may not work as planned.

To enhance the separateness between the Oncor Ring-Fenced Entities and the Texas Holdings Group, various legal, financial and contractual provisions were implemented as part of the Merger. These enhancements are intended to minimize the risk that a court would order any of the Oncor Ring-Fenced Entities' assets and liabilities to be substantively consolidated with those of any member of the Texas Holdings Group in the event that a member of the Texas Holdings Group were to become a debtor in a bankruptcy case. Nevertheless, bankruptcy courts have broad equitable powers and, as a result, outcomes thereunder are inherently difficult to predict. Accordingly, if any member of the Texas Holdings Group were to become a debtor in a bankruptcy case, there can be no assurance that a court would not order an Oncor Ring-Fenced Entity's assets and liabilities to be substantively consolidated with those of such member of the Texas Holdings Group.

The issues and associated risks and uncertainties described above are not the only ones Oncor may face. Additional issues may arise or become material as the energy industry evolves.

Risks Related to the Offering of the Notes

Oncor cannot assure you that an active trading market will develop for the Notes; the Notes contain restrictions on transfer.

The Notes have not been registered under the Securities Act or any state securities laws and any resales of the Notes will be subject to transfer restrictions. Accordingly, the Notes may only be offered or sold pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws or pursuant to an effective registration statement. Although Oncor has agreed to file, and use its reasonable best efforts to have declared effective, a registration statement relating to an exchange offer for the Notes or, in certain circumstances, register the resale of the Notes, Oncor cannot assure you that a registration statement will become or remain effective.

The Notes constitute a new issue of securities with no established trading market. Oncor does not intend to list the Notes (or any exchange notes that may be issued pursuant to the exchange offer Oncor has agreed to make) on any securities exchange. Certain of the initial purchasers has informed Oncor that it intends to make a market in the Notes (and the exchange notes, if issued) after this offering is completed. However, the initial purchasers may cease their market-making efforts at any time. Certain initial purchasers, as a result of their equity interest in EFH Corp., may be required to deliver a "market-making prospectus" when effecting offers and sales of Notes. For so long as the market-making prospectus is required to be delivered, the ability of these initial purchasers to make a market in the Notes may, in part, be dependent on Oncor's ability to maintain a current market-marking prospectus. Oncor will not be required to maintain a current market-marking prospectus after the tenth anniversary of the issue date of the Notes. If no active trading market develops, you may not be able to resell the Notes (or any exchange notes) at their fair market value or at all.

The market price of the Notes will fluctuate.

Any material differences between Oncor's actual results and the historical results contained in Oncor's annual, quarterly and current reports filed with the SEC and incorporated by reference in this offering memorandum could have a significant adverse impact on the market price of the Notes, assuming a market for the Notes develops.

In connection with the announcement of the agreement to sell the minority interest in Oncor, S&P and Moody's upgraded Oncor's issuer rating and credit ratings for senior unsecured debt and senior secured debt from BBB− to BBB+ and from Ba1 to Baa3, respectively. Completion of the proposed sale of the minority interest is subject to various conditions and Oncor can make no assurances that the proposed sale will be completed. Should the sale not be completed, Oncor's credit ratings could be adversely affected, including a downgrade to non-investment grade. Any downgrade of Oncor's credit ratings could have a significant adverse impact on the market price of the Notes, assuming a market for the Notes develops.

The terms of the Notes contain limited covenant and other protections.

The Indenture governing the Notes contains covenants restricting Oncor's ability to take certain actions. However, each of these covenants contains specified exceptions. In addition, these covenants do not protect holders of the Notes from all events that could have a negative effect on the creditworthiness of the Notes and the market price of the Notes, assuming a market for the Notes develops.

The Indenture and the Deed of Trust permit Oncor to incur significant additional debt. Accordingly, the Indenture will not afford the holders of the Notes protection in the event of a highly-leveraged transaction.

The Notes and the Indenture under which the Notes will be issued do not place any limitation on the amount of unsecured debt that may be incurred by Oncor. The Indenture and the Deed of Trust also permit Oncor to incur a significant amount of additional secured debt, including debt secured equally and ratably by the Collateral, subject to certain limitations, as described further under DESCRIPTION OF THE NOTES — "Securing Additional Obligations" and — "Limitation on Secured Debt." Oncor's incurrence of additional debt may have important consequences for holders of the Notes, including making it more difficult for Oncor to

satisfy its obligations with respect to the Notes, a loss in the trading value of the Notes, if any, and a risk that the credit rating of the Notes is lowered or withdrawn. The covenants contained in the Indenture and the Deed of Trust will not afford holders of Notes protection in the event of a highly-leveraged transaction involving Oncor.

The lien on the Collateral may be released and the Notes could become Oncor's unsecured obligations. The release of the lien could have an adverse effect on the value of the Notes.

Oncor may elect to repay all amounts outstanding under its revolving credit facility before the maturity date of the Notes. If Oncor pays in full all amounts outstanding under the revolving credit facility, terminates its commitment thereunder and there is no event of default under the indentures governing Oncor's outstanding debt securities, the lien granted under the Deed of Trust may be released. In the event of a release of that lien, the Notes would not be secured by the Collateral and would become Oncor's unsecured obligations. It is possible that the release of the lien could have an adverse effect on the market value of the Notes.

It may be difficult to realize the value of the Collateral securing the Notes.

Each of the assets and facilities that will be included in the Collateral is subject to the same kinds of risks as are described under RISK FACTORS — "Risks Related to Oncor's Business." Oncor cannot provide any assurance that any of the necessary permits, certificates or other entitlements to operate those assets and facilities would be transferable to the Trustee or any purchaser from the Trustee in the event of a foreclosure upon that facility. The Trustee's ability to foreclose on the Collateral on behalf of the holders of the Notes may be subject to perfection, the consent of third parties and, with respect to those assets that are subject to the jurisdiction of the Commission and the FERC, the prior approval by the Commission and the FERC. The Trustee's ability to foreclose may also be subject to priority issues and practical problems associated with the realization of the Trustee's security interest in the Collateral. Oncor cannot assure holders of the Notes that the consents of any third parties and approvals by governmental entities will be given when required to implement a foreclosure on such assets, especially if Oncor is not in compliance with the underlying permits at the time. Accordingly, the Trustee may not have the ability to foreclose upon those assets or assume or transfer the right to operate those facilities, and a temporary shutdown of operations may result and the value of the Collateral may significantly decrease. Even if the Trustee assumes the right to operate the assets and facilities, there may also be practical problems associated with the Trustee's ability to identify a qualified operator to operate and maintain the assets and facilities. In addition, future regulatory developments or other inabilities to obtain or comply with required permits may adversely affect the value of the Collateral.

No appraisals of any Collateral have been prepared in connection with this offering. The value of the Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers for the Collateral. By their nature some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. Oncor cannot assure holders of the Notes that the fair market value of the Collateral as of the date of this offering memorandum exceeds the principal amount of the debt secured thereby. The value of the assets pledged as Collateral for the Notes could be impaired in the future as a result of changing economic conditions, Oncor's failure to implement its business strategy, competition and other future trends.

Bankruptcy laws may limit your ability to realize value from the Collateral.

The right of the Trustee to repossess and dispose of the Collateral upon the occurrence of an event of default under the Indenture is likely to be significantly impaired by applicable bankruptcy law if a bankruptcy case were to be commenced by or against Oncor prior to the Trustee having repossessed and disposed of, or otherwise exercised remedies in respect of, the Collateral. Under the US bankruptcy code, a secured creditor is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from such debtor, without bankruptcy court approval. Moreover, the US bankruptcy code permits the debtor to continue to retain and to use collateral even though the debtor is in default under the applicable debt instrument, provided that the secured creditor is given "adequate protection." The meaning of the term "adequate protection" may vary according to circumstances, but it is intended in general to protect the value

of the secured creditor's interest in the collateral and may include cash payments or the granting of additional security, if and at such times as the court in its discretion determines that the value of the secured creditor's interest in the collateral is declining during the pendency of the bankruptcy case. In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary powers of a bankruptcy court, it is impossible to predict (1) how long payments under the Notes could be delayed following the commencement of a bankruptcy case, (2) whether or when the Trustee could repossess or dispose of the Collateral and (3) whether or to what extent holders of the Notes would be compensated for any delay in payment or loss of value of the Collateral through the requirement of "adequate protection."

In the event a bankruptcy court determines the value of the Collateral is not sufficient to repay all amounts due on the Notes and any other obligations secured by the Collateral then the holders of the Notes and such other obligations would hold secured claims to the extent of the value of the Collateral securing such claims, and would hold unsecured claims with respect to any shortfall. Applicable federal bankruptcy laws do not permit the payment and/or accrual of post-petition interest, costs and attorneys' fees during a debtor's bankruptcy case unless the claims are oversecured or the debtor is solvent at the time of reorganization. In addition, if Oncor was to become the subject of a bankruptcy case, the bankruptcy trustee or debtor may seek to avoid certain pre-petition transfers made by Oncor, including transfers held to be preferences or fraudulent conveyances. While transfers to secured creditors are generally not preferential, transfers to an undersecured creditors may be subject to avoidance.

Any future pledges of Collateral may be avoidable.

Any further pledge of Collateral in favor of the Trustee may be avoidable by the pledgor (as debtor in possession) or by its trustee in bankruptcy or other third parties if certain events or circumstances exist or occur, such that the pledge or granting of the security interest is deemed a fraudulent conveyance or preference.

The Trustee's ability to exercise remedies with respect to Collateral is limited.

The Deed of Trust provides the Trustee on behalf of the holders of the Notes with significant remedies, including foreclosures and sale of all or parts of the Collateral. However, the rights of the Trustee to exercise significant remedies (such as foreclosure) are, subject to certain exceptions, generally limited to a payment default, bankruptcy of Oncor or the acceleration of the indebtedness.

Proceeds from any sale of the Collateral upon foreclosure may be insufficient to repay the Notes in full.

Oncor cannot assure you that the net proceeds from a sale of the Collateral owned directly by Oncor securing the Notes would be sufficient to repay all of the Notes following a foreclosure upon the Collateral or a liquidation of Oncor's assets.

The value of the Collateral and the amount to be received upon a sale of the Collateral will depend upon many factors including, among others, the condition of the Collateral, the ability to sell the Collateral in an orderly sale, the condition of the national and local economies, the availability of buyers and similar factors. The book value of the Collateral should not be relied on as a measure of realizable value for these assets. By their nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. In addition, a significant portion of the Collateral includes assets that may only be usable, and thus retain value, as part of Oncor's existing business operations. Accordingly, any sale of the Collateral separate from the sale of Oncor's business operations may not be feasible or of significant value.

Additionally, applicable law requires that every aspect of any foreclosure or other disposition of Collateral be "commercially reasonable." If a court were to determine that any aspect of the Trustee's exercise of remedies was not commercially reasonable, the ability of the Trustee and the holders of the Notes to recover the difference between the amount realized through such exercise of remedies and the amount owed on the Notes may be adversely affected and, in the worst case, the holders of the Notes could lose all claims for such deficiency amount.

MANAGEMENT OF ONCOR

Below are the names of Oncor's executive officers and directors, their ages and titles:

Name	Age	Title
Robert S. Shapard	52	Chairman of the Board of Directors and Chief Executive Officer
R.D. Trimble	59	President and Chief Operating Officer
David M. Davis	51	Vice President and Chief Financial Officer
Brenda L. Jackson	57	Senior Vice President, Business Operations
James A. Greer	48	Senior Vice President, Asset Management and Engineering
Charles W. Jenkins	57	Senior Vice President, Transmission and System Operations
Debra L. Elmer	51	Vice President, Human Resources
Don J. Clevenger	38	Vice President, External Affairs
Brenda J. Pulis	49	Senior Vice President, Distribution
Nora Mead Brownell	61	Director
Thomas M. Dunning	65	Director
Robert A. Estrada	61	Director
Monte F. Ford	49	Director
William Temple Hill, Jr.	66	Director
Jeffery Liaw	31	Director
Marc S. Lipschultz	39	Director
Richard W. Wortham, III	69	Director

Robert S. Shapard has served as the Chairman of the Board of Directors and Chief Executive Officer of Oncor since April 2007. Mr. Shapard joined EFH Corp. in October 2005 as a strategic advisor, helping implement and execute growth and development strategies for Oncor. Between March and October 2005, he served as chief financial officer of Tenet Healthcare Corporation, one of the largest for profit hospital groups in the United States and was Executive Vice President and Chief Financial Officer of Exelon Corporation, a large electricity generator and utility operator. Previously, Mr. Shapard served EFH Corp. for 20 years in various financial and operating leadership roles.

Rob D. Trimble is the President and Chief Operating Officer of Oncor. He was elected President of Oncor in July 2003 and President and Chief Operating Officer of Oncor in June 2004. Between 1996 and July 2003, Mr. Trimble served as Vice President of Operations of Texas Utilities Mining Company, as well as Senior Vice President, Texas Utilities Electric and Gas (a position that became Senior Vice President of Operations for Oncor in January 2002). Mr. Trimble is a professional engineer in the State of Texas.

David M. Davis is Vice President and Chief Financial Officer of Oncor, joining Oncor in 2004. Prior to joining Oncor, Davis held various positions at EFH Corp. from 1991 to 2004, including roles in information technology and financial planning. Mr. Davis is a certified public accountant.

Brenda L. Jackson is Senior Vice President, Customer and Community Relations of Oncor, overseeing a team dedicated to customer care and revenue management. Ms. Jackson has served EFH Corp. and Oncor for 35 years, mostly holding positions related to customer operations, customer service and community relations functions.

James A. Greer is Senior Vice President, Asset Management and Engineering of Oncor. He joined EFH Corp. in 1984 and has since held a number of management and leadership positions within Oncor and EFH Corp. in areas including engineering, operations and governmental relations. In his current role, he is responsible for developing strategies, policies and plans that will lead to optimization of the value and

performance of electric delivery systems and related assets. Mr. Greer is a professional engineer in the State of Texas and serves on the Texas State Board of Professional Engineers.

Charles W. Jenkins has served as Senior Vice President, Transmission and System Operations of Oncor since 2007. Since joining EFH Corp. in 1971, Mr. Jenkins has held a number of engineering, management and officer positions. Mr. Jenkins currently serves as a member of the ERCOT Board of Directors. Additionally, Mr. Jenkins is an advisor to and executive committee member of the Electric Power Research Institute's Power Delivery and Utilization program. Mr. Jenkins also serves on the advisory board of the Consortium for Electric Reliability Technology Solutions.

Debra L. Elmer is Vice President, Human Resources of Oncor. Since joining EFH Corp. in 1982, Ms. Elmer has held a number of positions in transmission and distribution field operations, nuclear operations, corporate human resources, trading and electric delivery at EFH Corp. and Oncor.

Brenda J. Pulis is Senior Vice President, Distribution of Oncor, a position she has held since 2004. In her current role, Ms. Pulis is responsible for designing, constructing, maintaining and operating distribution assets. Ms. Pulis originally joined Oncor in 1978 and has served in a number of areas during her tenure, including distribution engineering design, rates and regulatory, power delivery and operations. Currently, Ms. Pulis also serves as the President of the Association of Edison Illuminating Companies Power Delivery Committee.

Don J. Clevenger has served as Vice President, External Affairs of Oncor since June 2008. Mr. Clevenger joined EFH Corp. in April 2004 as Senior Counsel of Business Services. He served in this position until November 2005, when Mr. Clevenger transferred to Oncor. At Oncor, he eventually became vice president and corporate secretary in December 2007. Prior to joining EFH Corp., Mr. Clevenger worked as an attorney at Hunton & Williams LLP from 1995 until 2004. Mr. Clevenger also serves on the board of directors of Paul Quinn College.

Nora Mead Brownell has served as a Director of Oncor since October 2007. Ms. Brownell was a FERC member from June 2001 to June 2006. After leaving FERC, Ms. Brownell started BC Strategies, an energy consulting firm, in 2007. She presently serves as a member of the Board of Directors of Comverge Inc., an energy technology company, and Spectra Energy Partners. In September 2007, she was also appointed to the Board of Leaf Clean Energy Company, which invests in clean energy projects in North America. Ms. Brownell also previously served as the Senior Vice President for Meridian Bancorp, Inc.'s Corporate Affairs Unit.

Thomas M. Dunning has served as a Director of Oncor since October 2007. Mr. Dunning is the Chairman of Lockton Dunning Benefits. He is also very active in business, civic, political and non-profit organizations in Texas. Dunning has served as Chairman of the Dallas/Fort Worth International Airport Board, Dallas Assembly, Dallas Alliance, Dallas Together Forum, Vice Chairman of the Dallas Park and Recreation Board and was appointed Homeless Czar by the Mayor of Dallas in 2004 and 2005. He also has been appointed by Texas Governors to serve as Chairman of the Texas Water Development Board and on the boards of the Texas Department of Transportation, Texas Department of Human Services and Texas Department of Criminal Justice. Additionally, Mr. Dunning serves on the boards of Southwestern Medical Foundation and Baylor Healthcare System Foundation and is a member of the Texas Advisory Board for Comerica Bank.

Robert A. Estrada has served as a Director of Oncor since October 2007. He is also Chairman of the Board and Chief Compliance Officer of Estrada Hinojosa & Company, Inc., an investment banking firm he co-founded in 1992, where he also served as President and Chief Executive Officer from 1992 to 2006. Mr. Estrada is also a member of the Board of Directors of the Federal Reserve Bank of Dallas. From 1998 through 2000, he served on the Board of Directors of the Municipal Securities Rulemaking Board, a self-regulatory organization which sets standards for the municipal securities industry, serving as Chairman in 2000. Mr. Estrada is on the Executive Committee of the Board of Directors of the Greater Dallas Chamber of Commerce, a member of the University of Texas System Board of Regents, active in the Dallas Hispanic Chamber of Commerce, and on the boards of numerous arts and cultural affairs organizations. Mr. Estrada is also a past chairman of the Board of Trustees of the Municipal Advisory Council of Texas.

Monte F. Ford has served as a Director of Oncor since February 2008. He has served as Senior Vice President and Chief Information Officer for AMR Corporation, the Fort Worth-based parent company of American Airlines, since 2001. Mr. Ford has served in various technology positions, including with Bank of Boston, Associates First Capital in Texas, and Digital Equipment Corporation. In 1983, Mr. Ford helped found the Environmental Energy and Nutritional Learning Center in Boston and has since served in various capacities of service, including the Dallas Opera Board and Children's Medical Center of Dallas.

William Temple Hill, Jr. has served as a Director of Oncor since October 2007. In 2008, he joined the Dallas criminal defense firm of Fitzpatrick Hagood Smith & Uhl LLP, where he serves as of counsel. From 1999 to 2007, Mr. Hill served as the Dallas District Attorney and the Chief Prosecuting Attorney of the Dallas District Attorney's office. For more than 40 years, he has been a strong community leader serving on a number of charitable boards and receiving numerous civic awards. Mr. Hill currently serves on the boards of Baylor Hospital Foundation, North Dallas Shared Ministries and the SMU Athletic Forum.

Jeffery Liaw has served as a Director of Oncor since October 2007. He serves in the Energy and Industrial investing practice area of TPG Capital, L.P. Before joining TPG Capital, L.P. in 2005, he worked for Bain Capital, LLC in its industrials practice. Mr. Liaw is also a member of the board of both EFH Corp. and of Graphic Packaging, Inc.

Marc S. Lipschultz has served as a Director of Oncor since October 2007. He has worked at Kohlberg Kravis Roberts & Co. (KKR) since 1995. He is currently a Partner at KKR, where he is one of the heads of KKR's Energy and Natural Resources group and leads the firm's efforts in the power sector. He has played a leading role in KKR's investments in International Transmission Company, Texas Genco Holdings Inc. and EFH Corp. He is also a member of the board of EFH Corp. Mr. Lipschultz also serves on the boards of the American Enterprise Institute, Bard College, and the Center for Curatorial Studies, Common Good and the Private Equity Council.

Richard W. Wortham, III has served as a Director of Oncor since October 2007. Since 2005, he has served as Chairman, Chief Executive Officer and, since 1976, Trustee of The Wortham Foundation, Inc., a private philanthropic foundation based in Houston, with assets of approximately $260 million. In addition, Mr. Wortham has served since 1999 as a Trustee of The Hirtle Callaghan Trust, which is a family of mutual funds with current assets of approximately $8 billion. He is also a Life Trustee and Treasurer of The Museum of Fine Arts, Houston and serves on its Audit, Finance and Executive Committees. He has also served as a trustee of the museum for approximately twenty five years. Mr. Wortham also is a trustee of the Center for Curatorial Studies at Bard College.

On August 12, 2008, Oncor entered into an agreement for the proposed sale of a minority interest in Oncor. Pursuant to this agreement, after the completion of the proposed sale, the Buyer will have the right to designate, directly or indirectly, two directors to Oncor's Board of Directors, with the remaining nine directors comprised of at least six independent directors, two directors designated indirectly by EFH Corp. and one director that is also an officer of Oncor. Completion of the proposed sale of the minority interest is subject to various conditions and Oncor can make no assurances that the proposed sale will be completed. See OFFERING MEMORANDUM SUMMARY — "Recent Developments — Minority Interest Sale."

USE OF PROCEEDS

The aggregate net proceeds that Oncor expects to receive from the sale of the Notes offered hereby are estimated to be approximately $1,486,636,500 after deductions for discounts to the initial purchasers and estimated expenses of this offering. Oncor intends to use the net proceeds from the sale of the Notes to repay borrowings under its revolving credit facility, including loans under the revolving credit facility made by certain of the initial purchasers or their affiliates, and for general corporate purposes. The indebtedness which Oncor intends to retire had an interest rate of approximately 3.10% per annum as of June 30, 2008. The termination date of Oncor's revolving credit facility is October 10, 2013. The indebtedness under the revolving credit facility has principally been used by Oncor for general corporate purposes.

CONSOLIDATED CAPITALIZATION AND SHORT-TERM DEBT OF ONCOR AND SUBSIDIARY

The following table shows Oncor's consolidated capitalization and short-term debt as of June 30, 2008. The following material, which is presented in this offering memorandum solely to furnish limited introductory information, is qualified in its entirety by, and should be considered in conjunction with, the more detailed information appearing elsewhere in this offering memorandum and the documents incorporated by reference herein.

	June 30, 2008	
	Actual (In millions)(a)(c)	Percent
Capitalization:		
Long-term debt, less amounts due currently	$ 3,652	32.3%
Membership interest	7,653	67.7%
Total capitalization	$11,305	100.0%
Short-term debt:		
Short-term debt(b)	1,655	
Long-term debt due currently	101	
Total short-tem debt	$ 1,756	

(a) On August 12, 2008, Oncor entered into an agreement for the proposed sale of between 19.75% and 19.97% of its equity interests. The consideration for the equity interests will be approximately $1.254 billion (assuming the sale of a 19.75% equity interest in Oncor). The proceeds to be received by Oncor are expected to be distributed ultimately to EFH Corp. as the indirect parent company of Oncor. EFH Corp. will receive these proceeds net of any expenses associated with the sale of the minority interest in Oncor. Therefore, the proposed sale of the minority interest will have no effect on the capitalization of Oncor and the presentation of its total capitalization and short-term debt. See OFFERING MEMORANDUM SUMMARY — "Recent Developments — Minority Interest Sale."

(b) Includes revolving credit facility borrowings.

(c) Includes $928 million principal amount of transition bonds issued by Oncor Electric Delivery Transition Bond Company LLC, Oncor's bankruptcy-remote financing subsidiary.

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF ONCOR AND SUBSIDIARY

The following tables present Oncor's selected consolidated financial information. The following material, which is presented in this offering memorandum solely to furnish limited introductory information, is qualified in its entirety by, and should be considered in conjunction with, the more detailed information appearing elsewhere in this offering memorandum and the documents incorporated by reference herein (amounts below are set forth in millions of dollars, except ratios and percentages).

	Successor		Predecessor	
	Six Months Ended June 30, 2008	Year Ended December 31, 2007	As of Year Ended December 31, 2006	2005
Balance sheet information (end of period):				
Total assets	$15,814	$15,433	$10,709	$9,911
Property, plant and equipment — net	$ 8,334	$ 8,069	$ 7,608	$7,067
Capitalization:				
Long-term debt, less amounts due currently	$ 3,652	$ 3,702	$ 3,811	$4,107
Shareholder's equity	—	—	2,975	2,935
Membership interest	$ 7,653	7,618	—	—
Total Capitalization	$11,305	$11,320	$ 6,786	$7,042
Capitalization ratios:(a)				
Long-term debt, less amounts due currently	32.3%	32.7%	56.2%	58.3%
Shareholder's equity	—	—	43.8%	41.7%
Membership interest	67.7%	67.3%	—	—
Total	100.0%	100.0%	100.0%	100.0%

	Combined(d)	Successor	Predecessor		
	Six Months Ended June 30, 2008	Year Ended December 31, 2007	Period from October 11, 2007 through December 31, 2007	Period from January 1, 2007 through October 10, 2007	Year Ended December 31, 2006	2005
Income statement information:						
Operating revenues	$1,240	$2,500	$ 533	$1,967	$2,449	$2,394
Net income(b)	$ 170	$ 327	$ 64	$ 263	$ 344	$ 351
Ratio of earnings to fixed charges(c)	2.75%	2.60%	2.30%	2.68%	2.74%	2.87%
Other financial information						
Cash provided by operating activities	$ 260	$ 747	$ 65	$ 682	$ 628	$ 869
Capital expenditures	$ (465)	$ 708	$ 153	$ 555	$ 840	$ 733

(a) The regulatory capitalization ratio (as determined by the Commission) excludes transition bonds, goodwill and membership interest resulting from purchase accounting. At December 31, 2007 and June 30, 2008, the regulatory capitalization ratio was 47.7% debt and 52.3% equity and 47.6% debt and 52.4% equity, respectively.

(b) See the incorporated documents for additional information with respect to factors contributing to the variations on net income for the periods presented.

(c) Calculated by dividing pretax income, excluding extraordinary charges and cumulative effects of changes in accounting principles, plus fixed charges (interest expense before capitalized interest and estimated interest within rental expense) by fixed charges.

(d) In connection with the Merger, Oncor was converted from a Texas corporation to a Delaware limited liability company. The amounts are presented for two periods: January 1, 2007 through October 10, 2007 (Predecessor) and October 11, 2007 through December 31, 2007 (Successor), which relate to the period before the Merger and the period after the Merger, respectively. Combined results for the year ended December 31, 2007 represent the mathematical sum of the Predecessor period from January 1, 2007 through October 10, 2007 and the Successor period from October 11, 2007 through December 31, 2007. This presentation does not comply with GAAP or the rules for pro forma presentation, but is presented because management believes it is the most meaningful comparison of the results.

DESCRIPTION OF THE NOTES

General

The Indenture and an officer's certificate relating to the Notes (Officer's Certificate) establish the terms of the Notes. The Notes are a series of debt securities that Oncor may issue under the Indenture. The Notes and all other debt securities issued under the Indenture are collectively referred to herein as Debt Securities. The Indenture permits Oncor to issue an unlimited amount of Debt Securities from time to time, subject to certain limitations under the Indenture and the Deed of Trust. See — "Securing Additional Obligations" and — "Limitation on Secured Debt" below. All Debt Securities of any one series need not be issued at the same time, and a series may be reopened for issuances of additional Debt Securities of such series. This means that Oncor may from time to time, without the consent of the existing holders of the Notes of any series, create and issue further Debt Securities having the same terms and conditions as the Notes in all respects, except for issue date, issue price and, if applicable, the initial interest payment on such Debt Securities. Additional Debt Securities issued in this manner will be consolidated with, and will form a single series with, the applicable series of Notes.

The Indenture and the Officer's Certificate contain the full legal text of the matters described in this section. Because this section is a summary, it does not describe every aspect of the Notes or the Indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the Indenture and the Officer's Certificate, including definitions of certain terms used therein. Oncor also includes references in parentheses to certain sections of the Indenture. Whenever Oncor refers to particular sections or defined terms of the Indenture or the Deed of Trust in this offering memorandum, those sections or defined terms are incorporated by reference herein.

The Notes and other Debt Securities issued under the Indenture will rank equally with all of Oncor's other senior secured debt. As of June 30, 2008, the aggregate amount of secured indebtedness outstanding at Oncor was $4,490 million. Oncor's secured indebtedness does not include $928 million of transition bonds issued by Oncor Electric Delivery Transition Bond Company LLC, Oncor's bankruptcy-remote financing subsidiary, which transition bonds are not secured by the Collateral.

The Notes will be issuable in the form of fully registered notes in denominations of $2,000 and integral multiples of $1,000 in excess thereof. Notes sold in reliance upon Rule 144A will be represented by one or more global certificates, will be issued only in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and as nominee for DTC. Notes sold pursuant to Regulation S will be evidenced by one or more separate global certificates and will be registered in the name of Cede & Co., as registered owner and as nominee for DTC for the accounts of Euroclear and Clearstream Banking. Prior to the 40th day after the date of initial issuance of the Notes, beneficial interests in a Regulation S global certificate may be held only through Euroclear or Clearstream Banking. DTC will act as securities depository for the Notes, with certain exceptions. Purchases of beneficial interests in these global certificates will be made in book-entry form. See — "Book-Entry" below.

The Notes may be transferred without charge, other than for applicable taxes or other governmental charges, at The Bank of New York Mellon, New York, New York.

Maturity and Interest

The 2013 Notes will mature on September 1, 2013, the 2018 Notes will mature on September 1, 2018 and the 2038 Notes will mature on September 1, 2038. Interest on the Notes will:

- be payable in US dollars on the 2013 Notes, the 2018 Notes and the 2038 Notes at the rate of 5.95%, 6.80% and 7.50% a year, respectively;
- be computed for each interest period on the basis of a 360-day year consisting of twelve 30-day months and, with respect to any period less than a full month, on the basis of the actual number of days elapsed during the period;

- be payable semi-annually in arrears (1) on March 1 and September 1 of each year, and at maturity, beginning on March 1, 2009, for the 2013 Notes, (2) on March 1 and September 1 of each year, and at maturity, beginning on March 1, 2009, for the 2018 Notes and (3) on March 1 and September 1 of each year, and at maturity, beginning on March 1, 2009, for the 2038 Notes;
- accrue from, and including, the date of original issuance (expected to be on or about September 8, 2008); and
- be paid to the persons in whose names the Notes are registered at the close of business on the 15th calendar day before each interest payment date for the Notes. Oncor will not be required to make transfers or exchanges of the Notes for a period of 15 calendar days before an interest payment date.

If any interest payment date, maturity date or redemption date falls on a day that is not a business day, such date will be postponed to the next succeeding business day, and no interest on such payment will accrue for the period from and after the interest payment date, maturity date or redemption date to such next succeeding business day. The term "business day" means, with respect to any Note, any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in The City of New York are generally authorized or required by law, regulation or executive order to remain closed.

Optional Redemption

Oncor may redeem the Notes, in whole or in part, at its option, at any time prior to their maturity. Oncor will give notice of its intent to redeem the Notes at least 30 days prior to the redemption date. If Oncor redeems all or any part of the Notes, it will pay a "make whole" redemption price equal to the greater of:

- 100% of the principal amount of the Notes being redeemed, or
- the sum of the present values of the remaining scheduled payments of principal and interest (excluding the portion of any such interest accrued to the redemption date) on the Notes being redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 0.50%,

plus, in each case, accrued interest to the redemption date on the Notes being redeemed.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue, expressed as a percentage of its principal amount, equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

"Comparable Treasury Price" means, with respect to any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, on the third business day preceding such redemption date, as set forth in the H. 15 Daily Update of the Federal Reserve Bank or (ii) if such release, or any successor release, is not published or does not contain prices on such business day, the Reference Treasury Dealer Quotation actually obtained by the Trustee for such redemption date.

"H.15 (519)" means the weekly statistical release entitled "H.15 (519) Selected Interest Rates", or any successor publication, published by the Board of Governors of the Federal Reserve System.

"H.15 Daily Update" means the daily update of H.15 (519) available through the worldwide website of the Board of Governors of the Federal Reserve System or any successor site or publication.

"Independent Investment Banker" means the Reference Treasury Dealer.

"Reference Treasury Dealer" means a primary US Government securities dealer in New York City appointed by Oncor.

"Reference Treasury Dealer Quotation" means, with respect to the Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by the Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date.

If, at the time notice of optional redemption is given, the redemption moneys are not held by the Trustee, the redemption may be made subject to their receipt on or before the date fixed for redemption and such notice will be of no effect unless such moneys are so received.

Upon payment of the redemption price, on and after the redemption date interest will cease to accrue on the Notes or portions thereof called for redemption.

Payment and Paying Agents

Interest on each Note payable on any interest payment date will be paid to the person in whose name that Note is registered at the close of business on the regular record date for that interest. However, interest payable at maturity will be paid to the person to whom the principal is paid. If there has been a default in the payment of interest on any Note, the defaulted interest may be paid to the holder of that Note as of the close of business on a date between 10 and 15 days before the date proposed by Oncor for payment of such defaulted interest or in any other lawful manner permitted by any securities exchange on which that Note may be listed, if the Trustee finds it workable. (Indenture, Section 307.)

Principal, premium, if any, and interest on the Notes at maturity will be payable upon presentation of the Notes at the corporate trust office of The Bank of New York Mellon, in The City of New York, as paying agent for Oncor. However, Oncor may choose to make payment of interest by check mailed to the address of the persons entitled to such payment. Oncor may change the place of payment on the Notes, appoint one or more additional paying agents (including Oncor) and remove any paying agent, all at the discretion of Oncor. (Indenture, Section 702.)

Registration and Transfer

The transfer of Notes may be registered, and Notes may be exchanged for other Notes of the same series or tranche of authorized denominations and with the same terms and principal amount, at the offices of the Trustee in New York, New York. (Indenture, Section 305.) Oncor may designate one or more additional places, or change the place or places previously designated, for the registration of the transfer and the exchange of the Notes. (Indenture, Section 702.) No service charge will be made for any registration of transfer or exchange of the Notes. However, Oncor may require payment to cover any tax or other governmental charge that may be imposed in connection with such registration of transfer or exchange. Oncor will not be required to execute or to provide for the registration of transfer or the exchange of

- any Note during the 15 days before an interest payment date,
- any Note during the 15 days before giving any notice of redemption, or
- any Note selected for redemption in whole or in part except the unredeemed portion of any Note being redeemed in part.

(Indenture, Section 305.)

Security

Except as described below under this heading and under — "Securing Additional Obligations," and subject to the exceptions discussed under — "Release of Collateral," all Debt Securities and other secured indebtedness of Oncor (other than the transition bonds) will be secured equally and ratably, by a lien on all of the Collateral, which consists of Oncor's right, title and interest in and to all property, real, personal and mixed, wherever located, including the following property (other than Excepted Property):

- all real property owned in fee, easements and other interests in real property which are specifically described in the Deed of Trust;
- all facilities, machinery, equipment and fixtures for the transmission and distribution of electric energy, including, but not limited to, all switchyards, towers, substations, transformers, poles, lines, cables, conduits, ducts, conductors, meters, regulators and all other property used or to be used for any or all of those purposes;
- all buildings, offices, warehouses, structures or improvements in addition to those referred to or otherwise included in the previous two bullets;
- all computers, data processing, data storage, data transmission and/or telecommunications facilities, equipment and apparatus necessary for the operation or maintenance of any facilities, machinery, equipment or fixtures described or referred to in the second bullet point above; and
- all of the property listed above in the process of construction.

"Excepted Property" means among other things, the following types of property: (1) cash and securities; (2) contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments and chattel paper; (3) all revenues, income and earnings, all accounts, accounts receivable, rights to payment, payment intangibles and unbilled revenues, transition property, and all rents, tolls, issues, product and profits, claims, credits, demands and judgments; (4) governmental and other licenses, permits, franchises, consents and allowances; (5) intellectual property rights and other general intangibles; (6) vehicles, movable equipment, aircraft and vessels; (7) all goods, stock in trade, wares, merchandise and inventory held for sale or lease in the ordinary course of business; (8) materials, supplies, inventory and other personal property consumable in the operation of the Collateral; (9) fuel; (10) tools and equipment; (11) furniture and furnishings; (12) computers and data processing, data storage, data transmission, telecommunications and other facilities, equipment and apparatus, which, in any case, are used primarily for administrative or clerical purposes or are otherwise not necessary for the operation or maintenance of the facilities, machinery, equipment or fixtures that are part of the Collateral; (13) coal, lignite, ore, gas, oil and other minerals and timber rights; (14) electric energy, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; (15) real property and facilities used primarily for the production or gathering of natural gas; (16) leasehold interests; (17) all property which is or has been released from the Deed of Trust; (18) all property located outside of the State of Texas; (19) all property and plants used by Oncor in the generation of electricity; and (20) all property not acquired or constructed by Oncor for use in its electric transmission and distribution business. (Deed of Trust, Section 1.)

The Deed of Trust provides that, in general, after-acquired property, other than Excepted Property, will constitute Collateral. (Deed of Trust, Section 1.)

As described above, the Notes will initially be secured by liens on the Collateral. At December 31, 2007, the net book value of the Collateral was approximately $7,760 million. The Notes will be secured obligations of Oncor that will rank equally with all Debt Securities and Oncor's other outstanding secured indebtedness (other than the transition bonds). At June 30, 2008, Oncor had $4,490 million aggregate principal amount of secured debt outstanding, of which $1,655 million aggregate principal amount was issued under its revolving credit facility pursuant to the Revolving Credit Agreement, dated as of October 10, 2007, among Oncor, JPMorgan Chase Bank, N.A., Citibank, N.A. and the other banks party thereto (Credit Agreement), and $2,835 million in aggregate principal amount were senior secured notes and debentures, all of which are secured by the Collateral. Oncor's secured indebtedness does not include the transition bonds issued by Oncor

Electric Delivery Transition Bond Company LLC, Oncor's bankruptcy-remote financing subsidiary, with an outstanding principal balance of $928 million as of June 30, 2008. These transition bonds are not secured by the Collateral.

Permitted Liens

The lien granted pursuant to the Deed of Trust is subject to permitted liens described in the Indenture, the Indenture and Deed of Trust dated as of May 1, 2002 between Oncor and The Bank of New York Mellon (May 2002 Indenture), and the Credit Agreement. These permitted liens include (1) liens existing at the date of the May 2002 Indenture; (2) liens on property at the time Oncor acquires the property; (3) tax liens and other governmental charges which are not delinquent or which are being contested in good faith; (4) liens incurred or created in connection with or to secure the performance of bids, tenders, contracts, leases, statutory obligations, surety bonds or appeal bonds; (5) liens securing indebtedness, neither assumed nor guaranteed by Oncor nor on which it customarily pays interest, existing upon real estate or rights in or relating to real estate acquired by Oncor for any substation, transmission line, transportation line, distribution line, right of way or similar purpose; (6) mechanics' and materialmen's liens; (7) certain leases and leasehold interests; (8) rights reserved to or vested in government authorities; (9) rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by Oncor or by others on Oncor's property, rights and interests of persons other than Oncor arising out of agreements relating to the common ownership or joint use of the property; (10) liens on the interests of persons other than Oncor in Oncor's property; (11) liens which have been bonded or for which other security arrangements have been made; (12) purchase money liens and liens related to the acquisition of property; (13) liens which secure obligations under the Indenture and the May 2002 Indenture equally and ratably with other secured obligations of Oncor; (14) liens on Oncor's property to secure debt for borrowed money in an aggregate principal amount not exceeding the greater of 10% of Oncor's net tangible assets or 10% of Oncor's capitalization; (15) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license or permit, or by any provision of law, to terminate such right, power, franchise, grant, license or permit or to purchase or recapture or to designate a purchaser of any of the property of Oncor; (16) rights reserved to or vested in any municipality or public authority to use, control or regulate any property of Oncor; (17) any obligations or duties to any municipality or public authority with respect to any franchise, grant, license or permit; (18) any controls, liens, restrictions, regulations, easements, exceptions or reservations of any municipality or public authority applying particularly to space satellites or nuclear fuel; (19) certain judgment liens; (20) any lien arising by reason of deposits with or giving of any form of security to any governmental entity as a condition to the transaction of any business or the exercise of any privilege or license; (21) and any landlords' lien on fixtures or movable property so long as the rent secured thereby is not in default and (22) certain easements, licenses, restrictions, defects, irregularities and certain deficiences in titles.

The Indenture provides that the Trustee will have a lien, prior to the lien on behalf of the holders of the Debt Securities, upon the Collateral for the payment of its reasonable compensation and expenses and for indemnity against certain liabilities. (Indenture, Section 1007.)

Excepted Property

The Collateral does not include Excepted Property. The Deed of Trust provides that, in general, after-acquired property, other than Excepted Property, will constitute Collateral. (Deed of Trust, Section 1.) However, property that is released from the Deed of Trust will not become subject to the lien of the Deed of Trust unless and until Oncor executes an amendment to the Deed of Trust subjecting that property to such lien.

Release of Collateral

Termination of Lien Granted by the Deed of Trust

Unless an event of default under the Indenture, the May 2002 Indenture or the Deed of Trust has occurred and is continuing, the lien on the Collateral granted by the Deed of Trust will terminate upon Oncor's request

after Oncor fully pays all amounts due under the Credit Agreement and terminates the commitment under the Credit Agreement. (Deed of Trust, Section 20.8.)

Other Release of Collateral

Unless an event of default under the Credit Agreement, the Indenture, the May 2002 Indenture or any other indebtedness secured by the Deed of Trust, has occurred and is continuing, Oncor may obtain the release from the lien of the Deed of Trust of any part of the Collateral, or any interest in the Collateral, other than cash held by the Collateral Agent under the Deed of Trust (Collateral Agent), upon delivery to the Collateral Agent of an amount in cash equal to the amount, if any, by which the fair value (as determined under the Deed of Trust) of the Collateral exceeds the aggregate of:

- an amount equal to the aggregate principal amount of any obligations secured by a purchase money lien delivered to the Collateral Agent, to be held as part of the Collateral, subject to the limitations in the Deed of Trust;
- an amount equal to the cost (as determined under the Deed of Trust) or fair value to Oncor (whichever is less), after making any deductions and any Property Additions (as defined in the Deed of Trust) not constituting Funded Property (as defined in the Deed of Trust), except that such deductions and additions need not be made if the Property Additions were acquired or made within the 90-day period preceding the release;
- an amount equal to 23/20 of an aggregate principal amount of additional obligations that Oncor elects to secure under the Deed of Trust; provided that Oncor waives the right to secure the additional obligations and any Available Bond Credits (as defined below) which were the basis of the right to secure such amount of those additional obligations will be deemed to have been made the basis of such release of property;
- an amount in cash and/or an amount equal to the aggregate principal amount of any obligations secured by purchase money lien that, in either case, is evidenced to the Collateral Agent by a certificate of the trustee or other holder of a lien prior to the lien of the Deed of Trust to have been received by such trustee or other holder in accordance with the provisions of the lien in consideration for the release of such property or any part thereof from such lien, all subject to the limitations set forth in the Deed of Trust; and
- any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released. (Deed of Trust, Section 20.2.)

Unless an event of default under the Credit Agreement, the Indenture, the May 2002 Indenture or any other indebtedness secured by the Deed of Trust, has occurred and is continuing, Collateral which is not Funded Property may generally be released from the lien of the Deed of Trust without depositing any cash or property with the Collateral Agent as long as (1) the aggregate amount of cost or fair value to Oncor (whichever is less) of all property which do not constitute Funded Property (excluding the property to be released) after certain deductions and additions, including adjustments to offset property retirements, is not less than zero or (2) the cost or fair value (whichever is less) of property to be released does not exceed the aggregate amount of the cost or fair value to Oncor (whichever is less) of property additions acquired or made within the 90-day period preceding the release. (Deed of Trust, Section 20.3.)

The Deed of Trust provides simplified procedures for the release of minor properties and property taken by eminent domain, and provides for dispositions of certain obsolete property without any release or consent by the Collateral Agent. Under the Deed of Trust, a property is considered minor if the aggregate fair value of such property on any date in a given calendar year, together with all other minor properties released in the calendar year, does not exceed the greater of (1) $10 million, or (2) 3% of the then outstanding aggregate principal amount of the obligations secured by the Deed of Trust. (Deed of Trust, Sections 20.1, 20.4 and 20.5.)

If Oncor retains an interest in any property released from the lien granted under the Deed of Trust, the Deed of Trust will not become a lien on the property or an interest in the property or any improvements, extensions or additions to the property or renewals, replacements or substitutions of or for the property or any part or parts thereof unless Oncor executes and delivers to the Collateral Agent an amendment of the Deed of Trust containing a grant, conveyance, transfer and mortgage thereof. (Deed of Trust, Section 20.9.)

Withdrawal or Other Application of Funded Cash; Purchase Money Obligations

Except as otherwise provided in the Deed of Trust, unless an event of default under the Credit Agreement, the Indenture, the May 2002 Indenture or any other indebtedness secured by the Deed of Trust, has occurred and is continuing, any Funded Cash held by the Collateral Agent, and any other cash which is required to be withdrawn, used or applied as provided below, may (1) be withdrawn by Oncor (i) to the extent of the cost or fair value to Oncor (whichever is less) of Property Additions not constituting Funded Property, after certain deductions and additions, including adjustments to offset retirements (except that such adjustments need not be made if such property additions were acquired or made within the 90-day period preceding the withdrawal); (ii) in an amount equal to the aggregate principal amount of additional obligations Oncor would be entitled to secure; and (iii) in an amount equal to the aggregate principal amount of outstanding obligations delivered to the Collateral Agent; (2) upon Oncor's request, be used by the Collateral Agent for the purchase or payment of obligations as directed or approved by Oncor; and (3) be applied by the Collateral Agent to the payment at maturity or redemption of obligations. (Deed of Trust, Section 21.)

Securing Additional Obligations

The Collateral Agent will permit securing with Collateral additional obligations that Oncor elects to secure under the Deed of Trust, at one time or from time to time in accordance with the following:

- Additional obligations may be secured on the basis of Property Additions (which do not constitute Funded Property) in a principal amount not exceeding 85% of the cost or the fair value to Oncor of the Property Additions (whichever is less) after making certain deductions and additions described in the Deed of Trust;
- Additional obligations may be secured on the basis of, and in an aggregate principal amount not exceeding the aggregate principal amount of, Available Bond Credits; and
- Additional obligations may be secured on the basis of, and in an aggregate principal not exceeding the amount of, any cash deposited with the Collateral Agent for such purpose.

Any withdrawal of cash under the last bullet above will operate as a waiver by Oncor of its right to secure the obligations on which it is based, and those obligations may not be secured by the Deed of Trust. Any Property Additions which have been made the basis of any the right to secure additional obligations that Oncor elects to secure under the Deed of Trust will be deemed to have been made the basis of the withdrawal of such cash. Any Available Bond Credits which have been made the basis of any such right to secure additional obligations that Oncor elects to secure under the Deed of Trust will be deemed to have been made the basis of the withdrawal of such cash. (Deed of Trust, Section 22.)

"Available Bond Credits" equaled $7,610,464,240 as of June 30, 2008. Available Bond Credits will be (1) increased by the principal amount of obligations (other than obligations secured by the Deed of Trust) paid, retired or cancelled or for the payment of which money has been deposited with the applicable secured party representative, and (2) decreased by the principal amount of additional obligations that Oncor elects to secure under the Deed of Trust pursuant to provisions described under this heading.

Defeasance

Oncor will be discharged from its obligations on the Notes if it irrevocably deposits with the Trustee or any paying agent, other than Oncor, sufficient cash or US government securities to pay the principal, interest and any premium when due on the stated maturity date or a redemption date of that series of Notes. (Indenture, Section 801.)

Limitation on Secured Debt

So long as any of the Debt Securities remain outstanding, subject to the limitations described under — "Securing Additional Obligations," Oncor will not issue any Secured Debt other than Permitted Secured Debt without the consent of the holders of a majority in principal amount of the outstanding Debt Securities of all series with respect to which this covenant is made, considered as one class; provided, however, that this covenant will not prohibit the creation or existence of any Secured Debt if either:

- Oncor makes effective provision whereby all Notes and other affected Debt Securities then outstanding will be secured at least equally and ratably with such Secured Debt; or
- Oncor delivers to the Trustee bonds, notes or other evidences of indebtedness secured by the lien which secures such Secured Debt in an aggregate principal amount equal to the aggregate principal amount of the Notes and other affected Debt Securities then outstanding and meeting certain other requirements set forth in the Indenture.

"Secured Debt" means Debt created, issued, incurred or assumed by Oncor which is secured by a lien upon any of Oncor's property (other than Excepted Property). For purposes of this covenant, any Capitalized Lease Liabilities of Oncor will be deemed to be Debt secured by a lien on Oncor's property.

Definitions

For purposes of this subsection — "Limitation on Secured Debt," the following terms have the meanings given below:

"Debt" means:

- Oncor's indebtedness for borrowed money evidenced by a bond, debenture, note or other written instrument or agreement by which Oncor is obligated to repay such borrowed money;
- any guaranty by Oncor of any such indebtedness of another person; and
- any Capitalized Lease Liabilities of Oncor.

"Debt" does not include, among other things:

- indebtedness under any installment sale or conditional sale agreement or any other agreement relating to indebtedness for the deferred purchase price of property or services;
- any trade obligations (including any obligations under power or other commodity purchase agreements and any associated hedges or derivatives) or other obligations in the ordinary course of business;
- obligations under any lease agreement that are not Capitalized Lease Liabilities; or
- any liens securing indebtedness, neither assumed nor guaranteed by Oncor nor on which it customarily pays interest, existing upon real estate or rights in or relating to real estate acquired by Oncor for substation, transmission line, transportation line, distribution line or right of way purposes.

"Permitted Secured Debt" means, as of any particular time:

- Secured Debt which matures less than one year from the date of the issuance or incurrence and is not extendible at the option of the issuer; and any refundings, refinancings and/or replacements of any such Secured Debt by or with similar Secured Debt that matures less than one year from the date of such refunding, refinancing and/or replacement and is not extendible at the option of the issuer;
- Secured Debt secured by Purchase Money Liens (as defined in the Indenture) or any other liens existing or placed upon property at the time of, or within one hundred eighty (180) days after, the acquisition thereof by Oncor, and any refundings, refinancings and/or replacements of any such Secured Debt; provided, however, that no such Purchase Money Lien or other lien will extend to or cover any of Oncor's property other than (1) the property so acquired and improvements, extensions and additions to such property and renewals, replacements and substitutions of or for the property or any part or parts of

the property and (2) with respect to Purchase Money Liens, other property subsequently acquired by Oncor;

- Secured Debt relating to governmental obligations the interest on which is not included in gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (or any successor provision of law), for the purpose of financing or refinancing, in whole or in part, costs of acquisition or construction of property to be used by Oncor, to the extent that the lien which secures the Secured Debt is required either by applicable law or by the issuer of such governmental obligations or is otherwise necessary in order to establish or maintain the exclusion from gross income; and any refundings, refinancings and/or replacements of any Secured Debt by or with similar Secured Debt;
- Secured Debt (1) which is related to the construction or acquisition of property not previously owned by Oncor or (2) which is related to the financing of a project involving the development or expansion of Oncor's property and (3) in either case, the obligee in respect of which has no recourse to Oncor or any of Oncor's property other than the property constructed or acquired with the proceeds of such transaction or the project financed with the proceeds of such transaction (or the proceeds of such property or such project); and any refundings, refinancings and/or replacements of any such Secured Debt by or with Secured Debt described in (3) above; and
- in addition to the Permitted Secured Debt described above, Secured Debt not otherwise so permitted in an aggregate principal amount not exceeding the greater of 10% of Oncor's Net Tangible Assets or 10% of Oncor's Capitalization.

"Net Tangible Assets" means the amount shown as total assets on Oncor's unconsolidated balance sheet, less (1) intangible assets including, but without limitation, such items as goodwill, trademarks, trade names, patents, unamortized debt discount and expense and other regulatory assets carried as assets on Oncor's unconsolidated balance sheet and (2) appropriate adjustments, if any, on account of minority interests. Net Tangible Assets will be determined in accordance with generally accepted accounting principles and practices applicable to the type of business in which Oncor is engaged.

"Capitalization" means the total of all the following items appearing on, or included in, Oncor's unconsolidated balance sheet: (1) liabilities for indebtedness maturing more than 12 months from the date of determination and (2) common stock, common stock expense, accumulated other comprehensive income or loss, preferred stock, preference stock, premium on common stock and retained earnings (however the foregoing may be designated), less, to the extent not otherwise deducted, the cost of shares of Oncor's capital stock held in Oncor's treasury, if any. Capitalization will be determined in accordance with generally accepted accounting principles and practices applicable to the type of business in which Oncor is engaged, and may be determined as of the date not more than 60 days prior to the happening of the event for which the determination is being made.

"Capitalized Lease Liabilities" means the amount, if any, shown as liabilities on Oncor's unconsolidated balance sheet for capitalized leases of electric transmission and distribution property not owned by Oncor, which amount will be determined in accordance with generally accepted accounting principles and practices applicable to the type of business in which Oncor is engaged.

(Indenture, Section 707.)

Consolidation, Merger and Sale of Assets

Under the terms of the Indenture, Oncor may not consolidate with or merge into any other entity or convey, transfer or lease its Electric Utility Property as an entirety or substantially as an entirety to any entity, unless:

- the surviving or successor entity, or an entity which acquires by conveyance or transfer or which leases the Electric Utility Property of Oncor as an entirety or substantially as an entirety is organized and existing under the laws of any domestic jurisdiction and it expressly assumes Oncor's obligations on all Debt Securities then outstanding under the Indenture;
- in the case of a lease, such lease is made expressly subject to termination by Oncor or by the Trustee and by the purchaser of the property so leased at any sale thereof at any time during the continuance of an event of default under the Indenture;
- Oncor will have delivered to the Trustee an officer's certificate and an opinion of counsel as provided in the Indenture; and
- immediately after giving effect to the transaction, no event of default under the Indenture, or event which, after notice or lapse of time or both, would become an event of default under the Indenture, has occurred and is continuing.

(Indenture, Section 1201.) In the case of the conveyance or other transfer of the Electric Utility Property as or substantially as an entirety to any other entity, upon the satisfaction of all the conditions described above Oncor would be released and discharged from all obligations and covenants under the Indenture and on the Debt Securities then outstanding unless Oncor elects to waive such release and discharge. (Indenture, Section 1203.)

The Indenture does not prevent or restrict:

- any conveyance or other transfer, or lease, of any part of Oncor's Electric Utility Property which does not constitute the entirety, or substantially the entirety, thereof, or
- any conveyance, transfer or lease of any of Oncor's properties where Oncor retains Electric Utility Property with a fair value in excess of 143% of the aggregate principal amount of all outstanding Debt Securities, and any other outstanding debt securities that rank equally with, or senior to, the Debt Securities with respect to such Electric Utility Property. This fair value will be determined within 90 days of the conveyance, transfer or lease by an independent expert that is approved by the Trustee.

(Indenture, Section 1205.)

"Electric Utility Property" means property of Oncor which is comprised of substantially all tangible properties of Oncor in Texas used or useful or to be used in connection with the transmission and distribution of electric energy, exclusive of certain excepted property. (Indenture, Section 101.)

The terms of the Indenture do not restrict Oncor in a merger in which Oncor is the surviving entity. (Indenture, Section 1204.)

Events of Default

"Event of default," when used in the Indenture with respect to Debt Securities, means any of the following:

- failure to pay interest on any Debt Security for 30 days after it is due and payable;
- failure to pay the principal of or any premium on any Debt Security when due and payable;
- failure to perform or breach of any other covenant or warranty in the Indenture that continues for 90 days after Oncor receives written notice from the Trustee, or Oncor and the Trustee receive a written notice from the holders of at least 33% in aggregate principal amount of the outstanding Debt Securities;

- events of bankruptcy, insolvency or reorganization of Oncor specified in the Indenture;
- sale or transfer of all or any part of the Collateral in a foreclosure of the lien on the Collateral which secures the Debt Securities and other Secured Debt (other than Permitted Secured Debt); or
- any other event of default included in any supplemental indenture for a particular series of Debt Securities.

(Indenture, Sections 901 and 1301.)

Remedies

If an event of default under the Indenture occurs and is continuing, then the Trustee or the holders of at least 33% in aggregate principal amount of the outstanding Debt Securities may declare the principal amount of all of the Debt Securities to be due and payable immediately.

At any time after a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee, the event or events of default under the Indenture giving rise to the declaration of acceleration will be considered cured, and the declaration and its consequences will be considered rescinded and annulled, if:

- Oncor has paid or deposited with the Trustee a sum sufficient to pay:

  (1) all overdue interest on all outstanding Debt Securities;

  (2) the principal of and premium, if any, on the outstanding Debt Securities that have become due otherwise than by such declaration of acceleration and overdue interest thereon;

  (3) interest on overdue interest to the extent lawful; and

  (4) all amounts due to the Trustee under the Indenture; and

- any other event of default under the Indenture with respect to the Debt Securities of a particular series has been cured or waived as provided in the Indenture.

(Indenture, Section 902.)

There is no automatic acceleration, even in the event of bankruptcy, insolvency or reorganization of Oncor.

If an event of default under the Deed of Trust occurs and is continuing, the Collateral Agent will, at the direction of the applicable secured party, proceed to protect and enforce its rights and the rights of the secured parties by such judicial proceedings as the applicable secured party designates to protect and enforce any such rights. Upon the occurrence and during the continuance of any event of default under the Deed of Trust and subject to any applicable grace, notice and cure provision of the Credit Agreement, the Indenture or the May 2002 Indenture, on the direction of the applicable secured party, the Collateral Agent will, at the direction of the applicable secured party, sell all, but not less than all of the Collateral in accordance with the procedures set forth in the Deed of Trust. In the event of any breach of the covenants, agreements, terms or conditions of the Deed of Trust, the Collateral Agent, to the extent permitted by applicable law and principles of equity, will be entitled to enjoin such breach and obtain specific performance of any such covenant, agreement, term or condition and the Collateral Agent will have the right to invoke any equitable right or remedy as though other remedies were not provided for in the Deed of Trust. (Deed of Trust, Section 23.)

If an event of default under the Deed of Trust has occurred and, during the continuance of such event of default, the Collateral Agent has commenced judicial proceedings to enforce any right under the Deed of Trust, then the Collateral Agent will, to the extent permitted by law, be entitled, as against Oncor, to the appointment of a receiver of the Collateral and subject to the rights, if any, of others to receive collections from former, present or future customers of the rents, issues, profits, revenues and other income thereof, and whether or not any receiver is appointed, the Collateral Agent will be entitled to possession and control of, and to collect and receive the income from cash, securities and other personal property held by the Collateral

Agent under the Deed of Trust and to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law. (Deed of Trust, Section 24.)

Upon the occurrence and continuance of an event of default under the Indenture after the termination of the lien granted by the Deed of Trust, the remedies of the Trustee and holders of Notes under the Indenture would be limited to the rights of unsecured creditors.

Except as otherwise required by the Trust Indenture Act, the Trustee is not obligated to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the holders, unless the holders offer the Trustee a reasonable indemnity. (Indenture, Section 1003.) If they provide this reasonable indemnity, the holders of a majority in principal amount of the outstanding Debt Securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred upon the Trustee with respect to such Debt Securities. The Trustee is not obligated to comply with directions that conflict with law or other provisions of the Indenture. (Indenture, Section 912.)

No holder of Debt Securities will have any right to institute any proceeding under the Indenture, for the appointment of a receiver or trustee, or for any other remedy under the Indenture, unless:

- the holder has previously given to the Trustee written notice of a continuing event of default under the Indenture;
- the holders of a majority in aggregate principal amount of the outstanding Debt Securities have made a written request to the Trustee to institute proceedings in respect of the event of default under the Indenture in its own name as Trustee under the Indenture;
- such holder or holders have offered reasonable indemnity to the Trustee to institute proceedings;
- the Trustee has failed to institute any proceeding for 60 days after notice, request and offer of indemnity; and
- the Trustee has not received during such period any direction from the holders of a majority in aggregate principal amount of the outstanding Debt Securities inconsistent with the written request of the holders referred to above.

(Indenture, Section 907.) However, these limitations do not apply to a suit by a holder of a Debt Security for payment of the principal, premium, if any, or interest on the Debt Security on or after the applicable due date. (Indenture, Section 908.)

Oncor will provide to the Trustee an annual statement by an appropriate officer as to Oncor's compliance with all conditions and covenants under the Indenture. (Indenture, Section 705.)

Modification and Waiver

Without the consent of any holder of Debt Securities, Oncor and the Trustee may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the assumption by any permitted successor of the covenants of Oncor in the Indenture and in the Debt Securities;
- to add one or more covenants of Oncor or other provisions for the benefit of the holders of all or any series or tranche of Debt Securities, or to surrender any right or power conferred upon Oncor;
- to add additional events of default under the Indenture for all or any series of outstanding Debt Securities;

- to change or eliminate or add any provision to the Indenture; provided, however, that if the change, elimination or addition will adversely affect the interests of the holders of outstanding Debt Securities of any series or tranche in any material respect, it will become effective only:

(1) when the consent of the holders of Debt Securities of such series has been obtained in accordance with the Indenture; or

(2) when no Debt Securities of the affected series remain outstanding under the Indenture;

- to provide additional security for any Debt Securities;
- to establish the form or terms of Debt Securities of any other series or tranche as permitted by the Indenture;
- to provide for the authentication and delivery of bearer securities with or without coupons;
- to evidence and provide for the acceptance of appointment by a separate or successor Trustee;
- to provide for the procedures required for use of a non-certificated system of registration for the Debt Securities of all or any series or tranche;
- to change any place where principal, premium, if any, and interest will be payable, Debt Securities may be surrendered for registration of transfer or exchange, and notices to Oncor may be served;
- to amend and restate the Indenture, as originally executed and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interests of the holders of Debt Securities in any material respect; or
- to cure any ambiguity or inconsistency.

(Indenture, Section 1301.)

The holders of at least a majority in aggregate principal amount of the Debt Securities of all series and tranches then outstanding may waive compliance by Oncor with some restrictive provisions of the Indenture. (Indenture, Section 706.) The holders of not less than a majority in principal amount of the outstanding Debt Securities may waive any past default under the Indenture, except a default in the payment of principal, premium, if any, or interest, if any, and certain covenants and provisions of the Indenture that cannot be modified or be amended without the consent of the holder of each outstanding Debt Security of any series or tranche affected. (Indenture, Section 913.)

If the Trust Indenture Act is amended after the date of the Indenture or the Deed of Trust, as applicable, in such a way as to require changes to the Indenture or the Deed of Trust, the Indenture or the Deed of Trust, as applicable, will be deemed to be amended so as to conform to that amendment to the Trust Indenture Act. Oncor and the Trustee may, without the consent of any holders, enter into one or more supplemental indentures to evidence the amendment. (Indenture, Section 1301; Deed of Trust, Section 7.1(f).)

The consent of the holders of a majority in aggregate principal amount of the Debt Securities of all series then outstanding, considered as one class, is required for all other modifications to the Indenture. However, if less than all of the series of Debt Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the holders of a majority in aggregate principal amount of the outstanding Debt Securities of all series that are directly affected, considered as one class, will be required. If less than all of the tranches of Debt Securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the holders of a majority in aggregate principal amount of the outstanding Debt Securities of all tranches that are directly affected, considered as one class, will be required. No such amendment or modification may, without the consent of the holder of each outstanding Debt Security of each series or tranche so directly affected:

- change the stated maturity of the principal of, or any installment of principal of or interest on, any Debt Security, or reduce the principal amount of any Debt Security or its rate of interest or change the method of calculating that interest rate or reduce any premium payable upon redemption, or change the

currency in which payments are made, or impair the right to institute suit for the enforcement of any payment on or after the stated maturity of any Debt Security;

- reduce the percentage in principal amount of the outstanding Debt Securities of any series or tranche the consent of the holders of which is required for any supplemental indenture or any waiver of compliance with a provision of the Indenture or any default thereunder and its consequences, or reduce the requirements for quorum or voting; or
- modify some of the provisions of the Indenture relating to supplemental indentures, waivers of some covenants and waivers of past defaults with respect to the Debt Securities of any series or tranche.

(Indenture, Section 1302.)

A supplemental indenture that changes or eliminates any covenant or other provision of the Indenture which has expressly been included solely for the benefit of the holders of, or which is to remain in effect only so long as there will be outstanding, Debt Securities of one or more particular series, or one or more tranches thereof, or modifies the rights of the holders of Debt Securities of such series or tranches with respect to such covenant or other provision, will be deemed not to affect the rights under the Indenture of the holders of Securities of any other series or tranche. (Indenture, Section 1302.)

The Indenture provides that Debt Securities owned by Oncor or anyone else required to make payment on the Debt Securities or their respective affiliates will be disregarded and considered not to be outstanding in determining whether the required holders have given a request or consent. (Indenture, Section 101.)

Oncor may fix in advance a record date to determine the holders entitled to give any request, demand, authorization, direction, notice, consent, waiver or other such act of the holders, but Oncor will have no obligation to do so. If Oncor fixes a record date, that request, demand, authorization, direction, notice, consent, waiver or other such act of the holders may be given before or after that record date, but only the holders of record at the close of business on that record date will be considered holders for the purposes of determining whether holders of the required percentage of the outstanding Notes have authorized or agreed or consented to the request, demand, authorization, direction, notice, consent, waiver or other such act of the holders. For that purpose, the outstanding Notes will be computed as of the record date. Any request, demand, authorization, direction, notice, consent, election, waiver or other such act of a holder of any Debt Security will bind every future holder of that Debt Security and the holder of every Debt Security issued upon the registration of transfer of or in exchange for that Debt Security. A transferee will also be bound by acts of the Trustee or Oncor in reliance thereon, whether or not notation of that action is made upon the Debt Security. (Indenture, Section 104.)

Resignation of a Trustee

The Trustee may resign at any time by giving written notice to Oncor or may be removed at any time by act of the holders of a majority in principal amount of all series of Debt Securities then outstanding delivered to the Trustee and Oncor. No resignation or removal of the Trustee and no appointment of a successor trustee will be effective until the acceptance of appointment by a successor trustee. So long as no event which is, or after notice or lapse of time, or both, would become, an event of default has occurred and is continuing and except with respect to a trustee appointed by act of the holders, if Oncor has delivered to the Trustee a resolution of its Board of Directors appointing a successor trustee and such successor has accepted the appointment in accordance with the terms of the Indenture, the Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Indenture. (Indenture, Section 1010.)

Notices

Notices to holders of the Notes will be given by mail to the addresses of such holders as they may appear in the security register for the Notes of that series. (Indenture, Section 106.)

Title

Prior to due presentment of a Note for registration of transfer, Oncor, the Trustee, and any agent of Oncor or the Trustee, may treat the person in whose name any Note is registered as the absolute owner of that Note,

whether or not such Note may be overdue, for the purpose of making payments and for all other purposes irrespective of notice to the contrary. (Indenture, Section 308.)

Governing Law

The Indenture and the Notes provide that they will be governed by, and construed in accordance with, the laws of the State of New York, except to the extent that the Trust Indenture Act is applicable and except to the extent that the law of the State of Texas mandatorily governs. (Indenture, Section 112.)

Information About the Trustee

The Trustee under the Indenture will be The Bank of New York Mellon. The Bank of New York Mellon acts, and may act, as trustee under various other indentures, trusts and guarantees of Oncor and its affiliates. Oncor and its affiliates maintain deposit accounts and credit and liquidity facilities and conduct other commercial and investment banking transactions with the Trustee and its affiliates in the ordinary course of their businesses.

Book-Entry

The certificates representing the Notes will be issued in fully registered form, without coupons. The Notes will be deposited with, or on behalf of, DTC, and registered in the name of Cede & Co., as DTC's nominee in the form of one or more global certificates or will remain in the custody of the Trustee pursuant to a FAST Balance Certificate Agreement between DTC and the Trustee. Upon the issuance of the global certificates, DTC or its nominee will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such global certificates to the accounts of persons who have accounts with such depositary. Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a global certificate will be limited to persons who have accounts with DTC (participants) or persons who hold interests through participants. Ownership of beneficial interests in a global certificate will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Qualified institutional buyers may hold their interests in a global certificate directly through DTC if they are participants in such system or indirectly through organizations which are participants in such system.

Investors that have purchased Notes pursuant to Regulation S may hold their interests directly through Clearstream Banking or Euroclear, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Beginning 40 days after the date of initial issuance of the Notes but not earlier, investors may also hold such interests through organizations other than Clearstream Banking or Euroclear that are participants in the DTC system. Clearstream Banking and Euroclear will hold interests in the global certificate representing Notes purchased pursuant to Regulations S on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a global certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such global certificate for all purposes under the Indenture and the Notes. No beneficial owner of an interest in a global certificate will be able to transfer the interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture and, if applicable, those of Euroclear and Clearstream Banking.

Payments of the principal of and interest on a global certificate will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither Oncor, the Trustee nor any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. DTC or its nominee, upon receipt of any payment of principal or interest in respect of a global certificate, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global certificate as shown on the records of DTC or its nominee. Oncor also expects that payments by participants to owners of beneficial interests in such global certificate held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules. If a holder requires physical delivery of a certificated Note for any reason, including to sell Notes to

persons in jurisdictions which require such delivery of such Notes or to pledge such Notes, such holder must transfer its interest in a global certificate in accordance with the procedures described under TRANSFER RESTRICTIONS in this offering memorandum, as well as DTC's applicable procedures and the procedures set forth in the Indenture and, if applicable, those of Euroclear and Clearstream Banking.

DTC will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a global certificate is credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. However, if there is an event of default under the Notes, DTC will exchange a global certificate for certificated Notes, which it will distribute to its participants and which may be legended as set forth under TRANSFER RESTRICTIONS.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (indirect participants). The rules applicable to DTC and its participants are on file with the SEC.

Although DTC, Euroclear and Clearstream Banking are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Notes represented by global certificates among their respective participants, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither Oncor nor the Trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream Banking or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling or unable to continue as a depositary for a global certificate and a successor depositary is not appointed by Oncor within 90 days, Oncor will issue certificated Notes in exchange for a global certificate which will bear the restrictive legend referred to under TRANSFER RESTRICTIONS, subject to the provisions of such legend.

Settlement for the Notes will be made by the initial purchasers in immediately available funds. Oncor will make all payments of principal and interest in immediately available funds.

Secondary trading in long-term bonds and notes of corporate issuers is generally settled in clearing-house or next-day funds. In contrast, beneficial interests in the Notes that are not certificated Notes will trade in DTC's Same-Day Funds Settlement System until maturity. Therefore, the secondary market trading activity in such interests will settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the Notes.

The information in this subsection, — "Book-Entry," concerning DTC and DTC's book-entry system has been obtained from sources that Oncor believes to be reliable, but Oncor does not take any responsibility for the accuracy of this information.

Restrictions on Transfer

The Notes will be subject to restrictions on transfer and will bear a restrictive legend substantially as described in TRANSFER RESTRICTIONS.

REGISTERED EXCHANGE OFFER; REGISTRATION RIGHTS

The Company and the initial purchasers will enter into a registration rights agreement (Registration Rights Agreement) on the issue date of the Notes. In the Registration Rights Agreement, the Company will agree that it will, at its expense, for the benefit of the holders of the Notes, (1) file a registration statement (Exchange Offer Registration Statement) on an appropriate registration form with respect to a registered offer (Exchange Offer) to exchange the Notes for new notes (Exchange Notes), with terms substantially identical to the Notes (except that the Exchange Notes will be registered pursuant to an effective registration statement under the Securities Act and will not contain provisions for additional interest) and (2) use all commercially reasonable efforts to cause the Exchange Offer Registration Statement to be declared effective under the Securities Act no later than 270 days after the issue date of the Notes and to consummate the Exchange Offer no later than 315 days after the issue date of the Notes. Promptly following the Exchange Offer Registration Statement being declared effective, the Company will offer the Exchange Notes in exchange for surrender of the Notes. The Company will keep the Exchange Offer open for not less than 20 business days (as defined in the Registration Rights Agreement), or longer if required by federal securities laws. For each Note surrendered to the Company pursuant to the Exchange Offer, the holder who surrendered such Note will receive an Exchange Note having a principal amount equal to that of the surrendered Note. Interest on each Exchange Note will accrue from the later of (A) the last interest payment date on which interest was paid on the Note surrendered in exchange therefor or (B) if no interest has been paid on such Note, from the issue date of the Notes.

Under existing interpretations of the SEC contained in several no-action letters to third parties, the Exchange Notes will be freely transferable by holders thereof (other than our affiliates) after the applicable Exchange Offer without further registration under the Securities Act; provided, however, that each holder that wishes to exchange its Notes for Exchange Notes will be required to represent (1) that any Exchange Notes to be received by it will be acquired in the ordinary course of its business, (2) that, at the time of the commencement of the applicable Exchange Offer, it has no arrangement or understanding with any person to participate in the distribution (within the meaning of Securities Act) of the applicable Exchange Notes in violation of the Securities Act, (3) that it is not an "affiliate" (as defined in Rule 405 under the Securities Act) of the Company, or if it is such an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (4) that it is not engaged in, and does not intend to engage in, the distribution of applicable Exchange Notes, (5) if such holder is a broker-dealer that will receive Exchange Notes for its own account in exchange for Notes that were acquired as a result of market-making or other trading activities, that it will deliver a prospectus in connection with any resale of such Exchange Notes, and (6) if it is a broker-dealer, that it did not purchase the Notes to be exchanged from the Company or any of its affiliates. The Company will agree to make available, during the period required by the Securities Act, a prospectus meeting the requirements of the Securities Act for use by participating broker-dealers and other persons, if any, with prospectus delivery requirements for use in connection with any resale of Exchange Notes.

If (1) because of any change in law or in currently prevailing interpretations of the staff of the SEC, Exchange Notes received by holders other than Restricted Holders (as defined in the Registration Rights Agreement) are not or would not be transferable by such holders without restriction under the Securities Act, (2) an Exchange Offer is not consummated within 315 days of the issue date of the Notes, (3) any holder of Notes notifies the Company prior to the 20th business day following the completion of the Exchange Offer that (a) it is prohibited by law or SEC policy from participating in the Exchange Offer, (b) it may not resell the Exchange Notes to the public without delivering a prospectus (other than the prospectus in the Exchange Offer Registration Statement), (c) it is a broker-dealer and owns Notes acquired directly from the Company or an affiliate, or (4) the Company so elects, then the Company will, in lieu of (or, in the case of (3), in addition to) conducting the Exchange Offer, file under the Securities Act one or more "shelf" registration statements (Shelf Registration Statements) covering resales of the Notes. The Company will use all commercially reasonable efforts to cause the Shelf Registration Statement to become or be declared effective within the later of 180 days after such Shelf Registration Statement filing obligation arises or 270 days after the issue date of the Notes. The Company will use all commercially reasonable efforts to keep such Shelf Registration Statement

continuously effective for two years following the issue date of the Notes subject to extension under the terms of the Registration Rights Agreement, or such shorter period terminating when all of the Notes cease to be Registrable Securities (as defined in the Registration Rights Agreement). The Company will, in the event that a Shelf Registration Statement is filed, provide to each holder whose Notes are registered under the Shelf Registration Statement copies of the prospectus that is a part of the Shelf Registration Statement, notify each such holder when such Shelf Registration Statement has become effective and take certain other actions as are required to permit unrestricted resales of the Notes. A holder that sells Notes pursuant to a Shelf Registration Statement will be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under Securities Act in connection with such sales and will be bound by the provisions of the applicable Registration Rights Agreement that are applicable to such a holder (including certain indemnification rights and obligations).

So long as (1) any of the Notes are outstanding and (2) it would be necessary under applicable law, in the reasonable opinion of Goldman, Sachs & Co. (or any other Market Maker (as defined in the Registration Rights Agreement)), for such Market Maker or any of its affiliates to deliver a prospectus in connection with market-making activities with respect to the Notes or Exchange Notes and such Market Maker or such affiliate proposes to make a market in the Notes or Exchange Notes in the ordinary course of its business, the Company will use all commercially reasonable efforts to file under the Securities Act, prior to the effective time of an Exchange Registration Statement or a Shelf Registration Statement, whichever occurs first, a "shelf" registration statement providing for the registration of, and the sale on a continuous or delayed basis in secondary transactions by each Market Maker of, Notes or Exchange Notes (Market Making Shelf Registration Statement). The Company will agree to use all commercially reasonable efforts to cause the Market Making Shelf Registration Statement to be declared effective on or prior to (1) the date the Exchange Offer is completed or (2) the date the Shelf Registration Statement is declared effective, and to keep the Market Making Shelf Registration Statement effective for so long as any Market Maker may be required to deliver a prospectus in connection with transactions in the Notes or the Exchange Notes. If a Market Maker holds Notes at the time an Exchange Offer is to be conducted, the Company agrees that the Market Making Shelf Registration Statement will provide for the resale by such Market Maker of such Notes and will use its reasonable efforts to keep the Market Making Shelf Registration Statement continuously effective until such time as such Market Maker determines in its reasonable judgment that it is no longer required to deliver a prospectus. Subject to certain exceptions set forth in the Registration Rights Agreement, upon at least 10 business days prior written notice to each Market Maker, the Company may elect to cause the Market Making Shelf Registration Statement to provide for the registration of, and the sale on a continuous or delayed basis in secondary transactions by any Affiliate Investor (as defined in the Registration Rights Agreement) of Notes or Exchange Notes.

The Company will not be required to maintain the effectiveness of the Market Making Shelf Registration Statement after the tenth anniversary of the issue date of the Notes. In addition, the Company may suspend the offering and sale under the Market Making Shelf Registration Statement for one or more periods if the Company determines that such registration would require (1) disclosure of an event at a time that could reasonably be expected to have a material adverse effect on the Company, (2) disclosure of material information relating to a corporate development, or (3) the Market Making Shelf Registration Statement or amendment or supplement to it contains a material misstatement or omission. The Company will promptly notify each Market Maker when the Market Making Shelf Registration Statement may be used again.

In the case (1) of a Shelf Registration Statement or a Market Making Shelf Registration Statement or (2) broker-dealers who will be utilizing the prospectus contained in the Exchange Registration Statement are seeking to sell Exchange Notes and are required to deliver such prospectuses, each holder, managing underwriter, Market Maker and Affiliate Investor agrees that, upon receipt of notice from the Company of certain events specified in the Registration Rights Agreement, such holder, managing underwriter, Market Maker and Affiliate Investor will discontinue disposition of Notes until it receives copies of the supplemented or amended prospectus or is advised in writing by the Company that the applicable prospectus may again be used. In addition, upon notice to the applicable holders of Notes, the Company may suspend the disposition of Notes under a Shelf Registration Statement, or extend the time period in which it is required to file the Shelf

Registration Statement for one or more periods not to exceed an aggregate of 90 days in any 12-month period, if the Company determines that there is a valid business purpose for suspending the Shelf Registration Statement. The Company will promptly notify the holders when the Shelf Registration Statement may again be used or is effective. If the Company gives any notice to suspend disposition of Notes or Exchange Notes, the Company will file and use its reasonable best efforts to have declared effective (if an amendment) as soon as practicable an amendment or supplement to the applicable registration statement. The Company will extend the required registration period by the number of days in the suspended period from and including the date of the giving of notice to and including the date when the Company makes available to the holders (1) copies of the supplemented or amended prospectus contained in the Shelf Registration Statement necessary to resume dispositions or (2) written notice that use of the applicable prospectus may resume.

Except for certain circumstances specified in the Registration Rights Agreement, if (1) the Exchange Registration Statement or the Shelf Registration Statement has not become or been declared effective by the deadlines discussed above, (2) the Exchange Offer has not been consummated by the deadline above, or (3) a registration statement relating to the Notes has been declared effective and such registration statement ceases to be effective at any time during the applicable registration period (subject to certain exceptions) (each of (1), (2) and (3) above, a Registration Default; each period during which a Registration Default has occurred and is continuing, a Registration Default Period), then, as liquidated damages for the Registration Default, additional interest shall accrue on the principal amount of the affected Notes at a rate of 0.50% per annum over the interest rate shown on the cover of this offering memorandum for the remaining period during which a registration default continues, but not later than the second anniversary of the issue date. If we cure all registration defaults, the interest rate on the Notes will revert to the original level.

Any amounts of additional interest due will be payable on the same original interest payment dates as interest on the Notes is payable.

The Exchange Notes will be accepted for clearance through DTC.

This summary of the provisions of the Registration Rights Agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Registration Rights Agreement, copies of which will be available from us upon request.

CERTAIN MATERIAL UNITED STATES FEDERAL TAX CONSEQUENCES

The following discussion summarizes certain material US federal tax consequences of the purchase, ownership and disposition of the Notes by an initial beneficial holder of the Notes who purchases the Notes for cash at the original offering price and who holds the Notes as capital assets within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (Code). This discussion is based upon the Code, existing and proposed US Treasury Regulations and judicial decisions and administrative interpretations thereof, all as of the date hereof and all of which are subject to change, possibly with retroactive effect, or to different interpretations. Oncor cannot assure you that the US Internal Revenue Service (IRS) will not challenge one or more of the tax consequences described herein. Oncor has not obtained, nor does it intend to obtain, a ruling from the IRS or an opinion of counsel with respect to the US federal tax consequences of purchasing, owning or disposing of the Notes.

This discussion does not address all US federal tax considerations that may be relevant to a particular holder in light of the holder's circumstances or to certain categories of investors that may be subject to special rules, such as financial institutions, regulated investment companies, insurance companies, tax-exempt organizations, dealers in securities, persons who hold the Notes through partnerships or other pass-through entities, US expatriates or persons who hold the Notes as part of a hedge, conversion transaction, straddle or other integrated transaction. This discussion also does not address US federal estate or gift tax consequences, except as discussed below for non-US holders, or the tax considerations arising under the laws of any state, local or foreign jurisdiction or under any applicable tax treaties.

This discussion is for general purposes only. You should consult your own tax advisor as to the particular tax consequences to you of the purchase, ownership and disposition of the Notes, including the effect and applicability of state, local or foreign tax laws or tax treaties and the possible effects of changes in the tax law.

This offering memorandum is not intended or written to be used, and it cannot be used, by any purchaser for the purpose of avoiding penalties that may be imposed under the Code. This offering memorandum was written, in part, to support the promotion and marketing of the Notes. Each potential investor should seek advice based on the investor's particular circumstances from an independent tax advisor.

As used herein, the term "US holder" means a beneficial owner of a Note that is, for US federal income tax purposes:

- an individual US citizen or resident alien;
- a corporation, or other entity taxable as a corporation for US federal income tax purposes, that was created or organized in or under the laws of the US, any state thereof or the District of Columbia;
- an estate the income of which is subject to US federal income taxation regardless of its source; or
- a trust, if (1) a court within the US can exercise primary supervision over the trust and one or more US persons have the authority to control all substantial decisions of the trust, or (2) the trust was in existence on August 20, 1996 and elected to be treated as a US person.

As used herein, the term "non-US holder" means a beneficial owner of a Note that is, for US federal income tax purposes, not a US holder.

If a partnership (including an entity taxable as a partnership for US federal income tax purposes) holds Notes, the tax treatment of the partnership and a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. If you are a partnership holding Notes, or a partner in such a partnership, you should consult your own tax advisor regarding the tax consequences associated with an investment in the Notes.