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PUC DOCKET NO. 35717

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

**SUPPLEMENTAL RESPONSE OF ONCOR ELECTRIC DELIVERY COMPANY LLC
TO STATE OF TEXAS'
SECOND REQUEST FOR INFORMATION
QUESTION NO. 2-18**

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 supplemental 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

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

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**ATTORNEYS FOR ONCOR ELECTRIC
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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 15th day of October, 2008.

 Matt H

REQUEST:

Please refer to the pre-filed direct testimony of Mr. J. Michael Sherburne at 45, in which he proposes to recover from the Primary Service Greater Than 10 kW - Substation Rate Class the difference between the total increases and proposed increases for Rate XFMR and Rate DLS. Please provide Mr. Sherburne's rationale for proposing to recover this difference from the Primary Service Greater Than 10 kW Substation Rate Class. Did Mr. Sherburne in preparing this testimony rely upon any current statutes, rules or other law which would permit the proposed recovery of this difference from this class? If the answer to this question is "Yes," please identify any and all such statutes, rules or other law relied upon by Mr. Sherburne.

RESPONSE:

This response was inadvertently omitted from the original response filed on September 30, 2008.

The following supplemental response was prepared by or under the direct supervision of J. Michael Sherburne, the sponsoring witness for this response.

The Company's proposal to recover the difference between (i) wholesale substation and wholesale distribution rates based on fully allocated costs and (ii) the actual rates proposed by the Company from the Primary Service Greater Than 10 kW Substation Rate Class is based on the principle of gradualism and a desire by the Company to minimize potential rate shock to the Residential and the Secondary Service Greater Than 10 kW rate classes. Since the Company is proposing a sizeable decrease to the Primary Service Greater Than 10 kW Substation Rate Class rate class, it was deemed appropriate to recover this difference from this class.

While the principle of gradualism and the concept of minimizing rate shock have a long history of implementation by the Commission in past rate proceedings of Oncor and other utilities, there is no specific statute, rule, or law that would permit or preclude the proposed recovery of this difference from this class.

However, Oncor has agreed to reallocate the difference between the total increases and the proposed increases for Rate XFMR and Rate DLS to all classes other than the new Primary Substation class in order to be in compliance with Finding of Fact No. 94 in Docket No. 34077 which specifies, "Oncor will propose and support a **cost-based** retail transformation tariff applicable to industrial customers in its 2008 rate filing. Parties are free to take any position with respect to the proposed tariff." (emphasis added)