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**SOAH DOCKET NO. 473-08-3681
PUC DOCKET NO. 35717**

**APPLICATION OF ONCOR
ELECTRIC DELIVERY COMPANY
LLC FOR AUTHORITY TO CHANGE
RATES**

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**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**

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**INITIAL BRIEF OF
TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.**

March 4, 2009

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TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.**

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INITIAL BRIEF OF
TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

I. INTRODUCTION

Tex-La Electric Cooperative of Texas, Inc. (Tex-La) participated in only the Cost Allocation and Rate Design phase of this proceeding, and as to that phase, took issue primarily with Oncor's proposed Wholesale Distribution Line Service (DLS) rate and Wholesale Rate XFMR. The issues in dispute as to these rates were all too familiar to Tex-La, as they are in fact the very same issues that Tex-La litigated with Oncor's predecessor, Texas Utilities Electric Company (TU Electric), over 12 years ago, issues upon which the Commission found in Tex-La's favor.

As is clear from the various prior Commission dockets referenced and discussed at hearing, the electric cooperatives have had a somewhat strained relationship with Oncor, and its predecessors for many years as concerns the wholesale distribution line service and transformation rates charged to the wholesale customers. Unfortunately, the actions of Oncor in this case have done nothing to change that relationship.

In Docket No. 15638, the last case in which Rates DLS and XFMR were litigated, the Commission's Final Order found as follows:

Rates for distribution-level service. The ALJ recommended the adoption of a finding that the rates for distribution-level service (DLS) were not reasonable: she also

concluded that the distribution-level costs presented by the witness for Tex-La Electric Cooperative of Texas (Tex-La) were reasonable and necessary. In the interim order, the Commission concluded that TU Electric did not meet its burden of proof that its distribution-level rates were based on the reasonable and necessary costs of providing such service. The interim order directed TU Electric to develop rates for distribution-level service to Tex-La based on the information presented by the Tex-La witness. The order also directed TU Electric to correct certain deficiencies discussed in the PFD in developing distribution-level rates for the other wholesale customers. The interim order permitted TU Electric to use system-wide average costs in developing the rates for the other wholesale customers, provided that it removed those costs that are related exclusively to retail service. Following the issuance of the interim order, TU Electric developed and filed separate distribution-level rates for Tex-La (using direct assignment of costs) and the other wholesale customers (using average system costs) and the Commission's Office of Policy Development approved these rates as consistent with the interim order.

A number of parties filed exceptions to the proposed final order challenging the distribution-level rates, because of the disparity between the rates for Tex-La and the other wholesale customers. **In this Order, the Commission is approving the distribution-level rates proposed by TU Electric for Tex-La and for the other wholesale customers, but is requiring that a separate proceeding be initiated to review the cost for providing distribution-level service, determine the appropriate manner for charging for this service, and resolve the discrepancy between the Tex-La rate and the rate for other wholesale customers.** Some customers may want to take distribution-level service now or in the near future, and because TU Electric has corrected some of the deficiencies in the rate that were discussed in the PFD, the Commission is approving both the Tex-La rate and the rates for other customers. **The Commission is concerned that costs associated with providing retail service have not been removed from the rate for other customers, and it is initiating the proceeding described above to review the rates.**

In the interim order, the Commission expressed a preference for average-system rates for distribution-level service. The additional proceedings in this case have highlighted the problems with system-wide rates for this service. In particular, the rates developed by TU Electric may include costs that are related to providing retail electric service but that are not related to providing distribution-level service to a wholesale customer. There are two acceptable methods for developing rates for distribution-level service: using average system costs, but excluding the costs relating exclusively to retail operations, or using the costs that are directly related to serving particular customers. Using average system costs is simpler, but using direct assignment is more accurate and fairer. (August 20, 1997 Order, Docket No. 15638, pages 3-4, emphasis added)

That Order not only approved the distribution level rates based upon direct assignment, but specifically noted that the use of a direct assignment methodology for wholesale

distribution-level rates was more accurate and fairer than utilizing system average costs. Moreover, the Commission expressed its concern that costs associated with providing retail service had not been removed from the rates for wholesale customers and the Commission further commented that the Docket No. 15638 proceeding had highlighted the problems of using system-wide rates for wholesale distribution-level service.

At hearing, and in the testimony of Tex-La witness James Daniel, the Docket No. 15638 proceeding and those subsequent Commission cases affirming approval of Rates DLS and XFMR were discussed and reviewed. Oncor witness Sherburne conceded at hearing that the positions that Oncor has taken in this case are pretty much the same as the positions that Oncor's predecessor took in Docket No. 15638. (Tr. 3083/14-22) Tex-La will not go through and discuss in detail the Commission's Orders in Docket Nos. 15638, 18194, or 22350, but rather would direct the ALJs' attention to such Orders, as well as the cross-examination testimony in this case of Oncor witness Sherburne as it begins at page 3083 of the hearing transcript, and continues on through page 3095. A careful review of those Orders, and the testimony of Mr. Sherburne as to same, demonstrates that in this case Oncor has continued in the actions of its predecessor in proposing rates that the facts cannot support. And, as in Docket No. 15638, Oncor has in this case raised the same, and almost identical excuses and complaints that were raised in Docket No. 15638 in arguing against the direct assignment of wholesale distribution and transformation costs to the wholesale customers. To quote Yogi Berra: "It's déjà vu all over again". For the same reasons that the Commission found in Docket No. 15638, this Commission should reject Oncor's excuses and reject the wholesale distribution and transformation rates proposed by Oncor.

As was discussed at hearing, Oncor has, on several occasions, had the opportunity to litigate again Rates DLS and XFMR, or appeal any such Commission orders. But on each and

every occasion, Oncor, or its predecessor, instead chose to settle the case, leaving the rates developed in Docket No. 15638, rates based upon a direct assignment study, intact. At hearing, Oncor's attorney attempted to diminish this fact by suggesting that the settlement language in each subsequent docket did not specifically approve or disapprove of, among other things, the particular rate design methodology or bind any party to a methodology. Oncor's witness Sherburne, however, admitted at hearing that while such subsequent Commission proceedings had been settled, the rates themselves, the very rates litigated and approved in Docket No. 15638, were found by the Commission to be fair, just and reasonable. (Tr. 3092/8-23; 3095/5-13).

This fact is of utmost importance in this case. In this case, Oncor has completely disregarded the previous Commission cases finding such rates reasonable, rates that were developed utilizing a direct assignment of cost methodology, and instead Oncor has chosen to develop new rates using an average system cost methodology.¹ The resulting impact to the electric cooperatives, and to their end-use retail ratepayers, is an incredible increase of 147% for Rate DLS, and 89% for Rate XFMR. To be clear, these enormous rate increases are not the result of a change in the cost of providing service, but are instead a result of a change in the manner in which Oncor has estimated the costs. (Tr. 2835/10-16) And while Oncor approached

¹ In fact, Oncor witness Sherburne, in developing the proposed rates, did not even go back and look at how the prior rates, the rates now in effect, had been developed:

Q. Okay. Well, do you remember when I was talking to you in your deposition and I was asking you about how these rates were developed with respect to Docket 18194 - -well, let me ask it this way: Did you go back and look at - - as part of your assignment in this case, did you go back and look at how the rates were developed by [TU Electric witness] Mr. Houle in 15638 and 18194?

A. After our deposition, I did go back and look at how those were.

Q. Okay. But you didn't look at how those rates were developed at any time prior to your deposition. Is that correct?

A. That's correct.

(Tr. 2610/15 - 26112)

this case, through its testimony and cross-examination, as one in which they believed that the electric cooperatives had the burden to show that the existing, Commission approved rates resulting from direct assignment were just and reasonable, it is Oncor, and Oncor alone, who must shoulder the burden of proof and demonstrate that the new proposed rates developed using the system average cost methodology are fair, reasonable, and non-discriminatory. Tex-La respectfully submits that Oncor has again completely and utterly failed to carry this burden and Oncor's proposed Rates DLS and XFMR should be rejected.

IV. EXECUTIVE SUMMARY

Oncor has completely failed to support its proposed Rate DLS and Rate XFMR. The rates now in effect, rates agreed to by Oncor's predecessor, TU Electric, were developed using a direct assignment methodology. This Commission has previously found in Docket No. 15638, that while using average system costs may be simpler, using direct assignment is more accurate and fairer. The Commission should reject the wholesale rates proposed by Oncor.

VIII. COST ALLOCATION AND RATE DESIGN

B. Cost Allocation

1. Direct Assignment of Costs to Wholesale Customers

Tex-La witness James Daniel provided testimony supporting Tex-La's position that Oncor's proposed Rates DLS and XFMR, based upon average system distribution costs, were both unreasonable and discriminatory, and the rates should, instead, be set based upon direct assignment. (Tex-La Ex. 1, 5/4-16) Mr. Daniel had previously provided similar testimony in Docket No. 15638, and the Commission adopted and approved wholesale distribution level

service rates based upon direct assignment. (Docket No. 15638, Aug. 20, 1997, Final Order, p.

4) Mr. Daniel recommends again that the Commission reject Oncor's proposed rates, based upon system average costs, and instead utilize direct assignment to determine the wholesale distribution service charges under Substantive Rule § 25.191.

As explained by Mr. Daniel, under Oncor's proposal rate classes DLS and XFMR are allocated average system costs for each distribution system plant account. The allocations of other distribution-related costs are then based on these plant allocations. This results in two problems. First, Oncor over-allocates costs related to distribution facilities used by the wholesale customers. Second, Oncor's methodology allocates distribution facilities and costs to the wholesale customers for facilities that they do not use or need. (Tex-La Ex. 1, 13/12 – 14/8)

a. Oncor's System Average Rates Over-Allocate Costs to the Wholesale Customers

Mr. Daniel identified one of the most glaring problems with Oncor's rate design methodology by showing how Oncor allocates underground (UG) distribution facilities to Tex-La. Tex-La has only one point of delivery (POD) served by underground facilities. Assuming that the entire distribution feeder is underground, then the directly assigned investment cost to Tex-La would be \$63,475. Using this number, and applying a fixed charge rate of 17.31% to this directly assigned investment amount, results in an annual revenue requirement of UG facilities used to provide service to Tex-La of only \$10,988. Using Oncor's proposal to assign system average UG costs to Tex-La, and based upon Oncor's cost of service study, Oncor proposes to allocate to Tex-La an annual revenue requirement amount for UG facilities of over

\$300,000, a difference of approximately \$289,000 per year. (Tex-La Ex. 1, 19/16-20/7)² And this example addresses only one POD. Oncor allocates UG costs to all distribution feeders, even those that are not underground.

This testimony of Mr. Daniel is unchallenged and demonstrates without a doubt that the rates proposed by Oncor are neither, fair, reasonable or non-discriminatory. In fact, the above testimony of Mr. Daniel, borrowing the Commission's statement in Docket No. 15638, has further "highlighted the problems with system-wide rates for this service." Oncor has again included retail costs in the proposed wholesale rates, a problem that the Commission previously identified in Docket No. 15638.

b. Using System Average Rates Improperly Allocates to Wholesale Customers Facilities Not Used or Needed for Such Service

Mr. Daniel clearly explained how Oncor, through its use of system average rates, charges wholesale customers for facilities that are not used or needed by the wholesale customers. For example, in the present case, Oncor allocated \$1,065,749 in capacitor plant investment to the wholesale customers. As Oncor well knows, however, wholesale customers install capacitors on their own distribution systems and accordingly should not be required to pay for Oncor's capacitors as well. Even Oncor's predecessor, TU Electric, did not have the nerve to attempt to allocate capacitors to wholesale customers in Docket No. 15638.³ (Tex-La Ex. 1, 14/14-19)

² In Docket No. 15638, Mr. Daniel provided similar testimony regarding UG distribution facilities. Mr. Daniel's calculation showed that while the entire annual revenue requirement for UG facilities used to provide service to Tex-La was \$512, Tex-La would have been charged approximately \$255,000 annually. (Docket No. 15638, PFD, p. 24)

³ And while Oncor attempted to charge the wholesale class for capacitors that it does not need or use, Oncor did not provide the wholesale class with a power factor revenue credit for the capacitors as it did for the other customer classes. (Tr. 2607/2 – 2608/13) Mr. Sherburne did later make the calculation for the adjustment and agreed it should be provided to the wholesale class. (Tr. 3080/1 – 3081/22.)

c. Oncor's System Average Rates Result in Serious and Significant Financial Impacts to Wholesale Customers and Their End-Use Ratepayers

As part of his testimony in this case, Mr. Daniel prepared an analysis of the financial impact on wholesale customers of the proposed system average cost methodology as compared to the presently used direct assignment methodology. Using information provided by Oncor in its rate filing and in discovery, Mr. Daniel directly assigned the distribution feeder line costs necessary to provide distribution service to Oncor's Rate DLS wholesale distribution service customers. The direct assignment study resulted in an assignment of \$3,232,547 in gross plant investment for distribution lines. Oncor's use of system average costs, however, assigns \$19,732,476 to the rate DLS class. As then shown by Mr. Daniel, after taking into account O&M costs, Rate DLS should receive a rate decrease of approximately 2%, not a rate increase of 147%. (Tex-La Ex. 1, 20/17-22/4)

One would have expected, given the results of Mr. Daniel's testimony and his analysis, that Oncor would have challenged Mr. Daniel at hearing on any and all of his testimony and analysis, and in particular, the enormous disparity that would occur if Oncor were allowed to develop and charge rates based upon system average costs. But Oncor did not. Instead, Oncor's cross-examination consisted almost entirely of asking Mr. Daniel to identify the headings to the columns of his direct assignment study, and asking Mr. Daniel numerous questions about a demonstrative exhibit prepared by some unknown individual, that, as will be addressed below, Oncor, and for good reason, couldn't even get one of its own 23 witnesses to adopt or authenticate.

Oncor did have one substantive question for Mr. Daniel about his study and the issue of O&M costs, and Mr. Daniel testified that his direct assignment study did in fact address and include costs associated with O&M expenses. (Tr. 2888/1-9; See also Tr. 2909/2-6)

Oncor's witness, Mr. Sherburne, was equally unable to dispute the findings and results of Mr. Daniel's analysis. In short, Oncor's position is essentially that direct assignment should not be used unless you can account for every single penny that is expended, and then ensure that every penny is properly assigned to the appropriate rate class.⁴ If one is unable to do this, then in Oncor's view, direct assignment is inappropriate.⁵ Such an assertion is not only ridiculous, but demonstrates the lengths to which Oncor will go to avoid having to perform a direct assignment study.

d. Oncor's Testimony Does Not Support a Change From Using Direct Assignment

Mr. Sherburne's Direct testimony in this case as concerns the proposed Rates DLS and XFMR and his support for such rates using average system costs consisted of almost two (2) pages. (Oncor Ex. 35, 44/20-45/23) In his Rebuttal testimony, however, Mr. Sherburne identified six (6) reasons as to why he felt that direct assignment was not appropriate to set wholesale rates. Cross-examination at hearing, however, showed the weakness and absurdity of each of these positions.

Mr. Sherburne first claimed that direct assignments were unreasonably discriminatory if applied to some classes and not others, and that if direct assignment was not used for retail

⁴ "I believe an only correct assignment study is a study that would be able to assign 100 percent of the costs". Tr. 2613/17-19 (Oncor witness Sherburne).

⁵ TU Electric, however, in Docket No. 11735, was able to not only prepare a direct assignment study for wholesale distribution service, but also use that study in reaching a settlement in Docket No. 18194. See Docket No. 15638, PFD, p. 27, and Tex-La Ex. 8, August 31, 1998, Stipulation and Motion for Approval, Docket 18194, at Exhibit SJH-2 to the Direct Testimony of TU Electric witness Stephen J. Houle.

customers, wholesale service based upon direct assignment would not be comparable to Oncor's use of its own system. These arguments fail for the same reasons that the very same arguments were rejected in Docket No. 15638. Not only did the Commission approve a rate based upon direct assignment in Docket No. 15638 for Tex-La, a wholesale customer, notwithstanding that TU Electric had historically used average distribution costs to calculate rates for all customers, including residential (except street lighting),⁶ but the Commission approved a rate based upon direct assignment for one wholesale customer, and a different rate for other wholesale customers based upon average system costs. (Docket No. 15638, Final Order, August 20, 1997, p. 4) It is the rates that must be fair and non-discriminatory, and to the extent that the costs are more accurately assigned to the wholesale class, the costs are thereby more accurately assigned to the retail class, and the resulting rates for each are both fair and nondiscriminatory.⁷

As discussed at hearing, a separate docket, Docket No. 18194 was established to look into the differing rates that were approved in Docket No. 15638 as between the wholesale customers. In the end, a settlement was reached by and between TU Electric and the wholesale customers whereby all wholesale customers were charged the same rate, based upon direct assignment, which had been previously approved in Docket No. 15638. Retail rates were not addressed in Docket No. 18194.

These very rates which were approved by the Commission in Docket Nos. 15638 and 18194 were then approved, and found to be reasonable, in a subsequent Commission proceeding, Docket No. 22350, a docket which was also settled by the parties.⁸ Clearly, the Commission has

⁶ Docket No. 15638, PFD, p. 23

⁷ Mr. Sherburne's testimony, at page 10 of his Rebuttal, Oncor Ex. 55, demonstrates that it is not accurate and fair rates that are of concern to Oncor, but rather, the use of the same allocation process that is of paramount importance.

⁸ Q. The rates that are currently in effect were found reasonable by the Commission in your last rate case, weren't they?

had several opportunities to address Oncor's claim of discrimination and lack of comparability, and each time the Commission has refused to change the rates or adopt Oncor's argument.

Similar to its position in Docket No. 15638, Oncor claimed in this case that direct assignments are complicated and costly to perform and therefore should not be done. Even were this the case, which it is not, this would not excuse Oncor from utilizing a direct assignment methodology for the wholesale rates that results in rates that are more accurate and fair. Recall that this very same argument was made by TU Electric, and rejected, in Docket No. 15638.

Mr. Houle [TU Electric witness] agreed on cross-examination that the Company [TU Electric] has the data in its possession to make the necessary cost allocations to the respective customers but he could not say if they had the demand data from 1992, the Docket No. 11735 date; he implied it would be difficult or costly to make the assignment from the data, but provided no evidence to support this assumption.

(Proposal for Decision (PFD), Docket No. 15638, pages 25-26)

Difficult as Oncor would like this Commission to believe it is, TU Electric was previously able to perform a direct assignment study for wholesale distribution line service and in fact TU Electric's study was filed with the Commission and TU Electric's witness sponsored and adopted the study as the basis for the settlement filed that was filed and approved in Docket No. 18194. (See Tex-La Ex. 8) Oncor's feigned difficulty with performing a direct assignment study was not an obstacle for Tex-La witness Mr. Daniel, however, despite the fact that Oncor refused to provide discovery on the very data that Oncor utilized in its last direct assignment study.⁹

A. [Oncor witness Sherburne] That's correct, as part of the stipulation.

Q. And that was Docket 22350?

A. That's correct.

(Tr. 2591/13-18)

⁹ See Tr. 3099/6-3105/2, Tex-La Ex. 7, and Tex-La Ex. 1, 22/5-12.

My direct assignment of the distribution feeders was not that difficult. The direct assignment of the substations should just be a second step in the substation allocation study that Oncor already does in every rate case. Based on the Commission's Substantive Rules, Oncor can reclassify a portion of its distribution substations as transmission-related and include those costs in its TCOS. Oncor readily does this detailed, data intensive analysis. . . . Also, after the initial study is conducted, subsequent updates to the study should be much easier to do. Although I do not believe the initial study would be burdensome, even if it is somewhat burdensome, the gains in the accuracy of the COSS would by far offset the cost of the study. (Tex-La Ex. 1, 22/19-23/8; 23/12-16.)

Mr. Sherburne also argued against the use of direct assignment because, in his opinion, direct assignment does not account for the presence of looped and/or integrated distribution configurations, something Oncor refers to as "backstand capability". Of all of the arguments raised by Oncor, this is one of the most offensive. As support for Oncor's position that direct assignment does not account for looped or integrated distribution configurations, Mr. Sherburne states at page 12 of his Rebuttal, line 27-28, that "All twelve Tex-La PODs have ties with other distribution circuits with backstand capability". At hearing and under cross-examination, however, when presented with Oncor's own one-line diagrams of the feeders serving the Tex-La PODs, Mr. Sherburne was able to identify only one, and possibly two, distribution feeders that may have a single redundant distribution circuit, not multiple redundant distribution circuits, that could provide backstand capability to Tex-La. Mr. Sherburne was quick to point out that the Oncor substations may have redundant transformers that could be used in the event that a transformer goes out, but the redundant transformer does little to provide service to the Tex-La PODs when an outage occurs on the feeder itself. (See generally Tr. 3121/11-3126/12, (Highly Sensitive)) That is, to borrow Mr. Sherburne's words, the "real world situation",¹⁰ a situation very different from what Mr. Sherburne tries to portray to the Commission in his testimony.

¹⁰ Sherburne Rebuttal, Oncor Ex. 55, page 13, line 5.

Oncor even attempted to use Tex-La witness James Daniel as support for its position that Oncor provided such reliable and efficient backstand capability. Oncor's attorney used an exhibit entitled "Typical Distribution System Configuration" (Oncor Ex. 142) as part of Oncor's cross of Mr. Daniel. Understandably, this exhibit was admitted only for demonstrative purposes, because no witness, not even a single Oncor witness, could testify under oath that the diagram was typical of the distribution systems on the Oncor system. This did not stop Oncor, however, from using this exhibit, questioning Tex-La's witness about it, and suggesting to the ALJs and the Commission through Oncor's use of the exhibit that the diagram was "typical" of the Oncor distribution circuits.

Oncor ran Mr. Daniel through a series of hypothetical questions about the exhibit, attempting to show how the wholesale POD indicated on the exhibit could be served by over five (5) redundant distribution feeders and several transformers. As referenced above, however, when Mr. Sherburne was asked to identify any of the twelve existing Tex-La PODs, the real "real world situation" that could be served by redundant distribution feeders, Mr. Sherburne was able to identify only one, possibly two, that had another single redundant distribution feeder, not five redundant feeders as displayed on Oncor Exhibit No. 142. The ALJs and the Commission should recognize the deceptive nature of not only Oncor's demonstrative exhibit, but the questions posited by Oncor to Tex-La's witness, suggesting that the diagram was in fact a "typical" distribution system. There is no room for these antics in this case.

Oncor next offered up its argument that customers receiving direct assignment that subsequently leave the system create stranded costs, and therefore there is a need for a stranded cost recovery provision. First, the ALJs and the Commission should take note that this is the very first time that Oncor has come up with this argument, despite the fact that the wholesale

customers have been taking service under the rates at issue for almost thirteen (13) years. Does anyone really think that if Oncor had been getting stuck with such alleged stranded costs that Oncor, or its predecessor, would have stood by for 13 years before complaining about it?!

This issue, as with those others referenced above, is nothing more than another excuse framed as a concern, in the hopes of persuading the ALJs and Commission to reverse the Commission's prior orders and rulings and approve average system rates for the wholesale customer class. As Mr. Sherburne conceded at hearing, Oncor's own tariffs already collect, before the service is provided, a contribution in aid of construction for new facilities. (Tr. 2595-97) As to the facilities already in place, Mr. Daniel testified that such facilities used to serve the wholesale customers have been installed for many years and therefore the initial plant investment of these facilities is much lower than today's costs, and such facilities have also been significantly depreciated. (Tex-La Ex. 1, 19/4-9).

Lastly, Mr. Sherburne suggests that using direct assignment fails to properly account for higher operation and maintenance expenses associated with older plant investment. Mr. Daniel, however, made it quite clear that the results of his analysis, JWD-3, are used to assign other expenses and things associated with the facilities and the revised cost of service study does assign O&M expenses to directly assigned lines. Tr. 2908/23-2909/6.

2. Gradualism

Oncor has proposed to limit the rate increase for Rate XFMR and Rate DLS to 50% in this proceeding. Clearly, the issue of gradualism as concerns the wholesale customer class becomes moot if the Commission rejects Oncor's proposed rates. As Mr. Daniel testified, even a 50% rate increase would still be considered rate shock. Mr. Daniel recommends that while the

Commission has used gradualism factors ranging from 1.5 to 2.0 times the system average percent rate increase, a gradualism factor of 1.75 would be reasonable in this case.

CONCLUSION

Oncor bears the burden of proof in this case. Oncor has failed to carry that burden with respect to wholesale Rates DLS and XFMR and the proposed rates should be rejected.

Consistent with Mr. Daniel's direct assignment study, the Commission should reduce Rate DLS by at least 2% at Oncor's proposed total revenue requirement.

Respectfully submitted,

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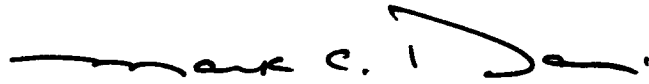
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was hand delivered and/or mailed this 4th day of March, 2009 by First Class, U.S. Mail, postage pre-paid to all parties of record.

A handwritten signature in black ink, appearing to read "Mark C. Davis", written over a horizontal line.

Mark C. Davis