



Control Number: 35717



Item Number: 924

Addendum StartPage: 0

OPEN MEETING COVER SHEET

RECEIVED
2009 JUL -1 AM 9:22
PUBLIC AFFAIRS SECTION

MEETING DATE: July 2, 2009

DATE DELIVERED: July 1, 2009

AGENDA ITEM NO.: 13

CAPTION: Docket No. 35717; SOAH Docket No.
473-8-3681 Application of Oncor Electric
Delivery Company, LLC for Authority to
Change Rates

ACTION REQUESTED: Discussion and possible action with respect
to Final Order

Distribution List:

Commissioners' Office (8)
Central Records
Featherston, David (2)
Flores, Leticia
Haney, Casey
Hunter, Tom (2)
Journey, Stephen
Lanford, Lane
Mueller, Paula
Renfro, Mike
Tietjen, Darryl (2)
Totten, Jess (3)
Whittington, Pam (3)

PUC

State Office of Administrative Hearings



Cathleen Parsley
Chief Administrative Law Judge

June 30, 2009

RECEIVED
2009 JUL -1 AM 9:22
PUBLIC AFFAIRS DIVISION

TO: Stephen Journeay, Director
Commission Advising and Docket Management
William B. Travis State Office Building
1701 N. Congress, 7th Floor
Austin, Texas 78701

FASCIMILE 936-7208

RE: SOAH Docket No. 473-08-3681
PUC Docket No. 35717

Application of Oncor Electric Delivery Company LLC for Authority to Change Rates


Dear Mr. Journeay:

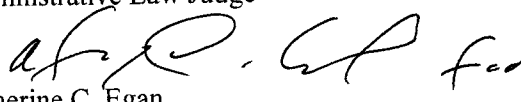
The Administrative Law Judges (ALJs) have read the thorough exceptions and replies filed by the parties in this matter. Staff proposed wording changes to several Findings of Fact to which there appear to be no objections. Likewise, Oncor requested wording changes to several Findings of Fact to which there appear to be no objections. The ALJs recommend the wording changes for Findings of Fact 8, 41, 43, and 51 as proposed by Staff and to Findings of Fact 14, 15, 24, 49, 118, 119, and 203 as proposed by Oncor.¹

The ALJs make no other changes to our PFD recommendations.

Several parties expressed concern over whether the schedules attached to the PFD accurately and completely reflect the ALJs' recommendations. Because the number-running was not part of the evidentiary record, the ALJs have no opinion on that subject. They agree that the parties should work with Staff to ensure that the final numbers accurately reflect the Commission's decisions.

Sincerely,


Henry D. Card
Administrative Law Judge


Catherine C. Egan
Administrative Law Judge

cc: All parties of record

¹ The modified findings are attached as Appendix A.

Appendix A

Modifications

8. On October 10, 2007, Oncor entered into a tax sharing agreement (the tax sharing agreement) with EFH in an effort to insulate Oncor from the liabilities related to EFH and its affiliates ~~that segregated or ring-fenced Oncor from the liabilities of EFH and its affiliates.~~
14. Oncor revised its revenue requirements on August 11, 2008, in its 45-day update to the rate filing package, and is now requesting increased revenue of approximately \$253,468,000.
15. Of this amount, retail distribution service revenues would increase approximately \$210,000,000, and transmission revenues would increase approximately \$44,000,000.
24. The following entities were granted intervenor status in this case: Alliance of TXU/Oncor Customers (ATOC); Steering Committee of Cities (Cities); IBEW; Lee Smith; Alliance for Retail Markets (ARM); Texas Industrial Energy Consumers (TIEC); Denton Municipal Electric; State of Texas (State); Occidental Power Marketing, L.P.; OPC; Texas Association for Marketers (TEAM); Tex-La Electric Cooperative of Texas, Inc. (Tex-La); Rayburn Country Electric Cooperative (Rayburn); City of Garland; Texas Legal Services Corporation/Texas Ratepayers Organization to Save Energy (TLSC/TxRose); TXU Energy Retail; Kroger Company; Reliant Energy Retail Services, LLC; Nucor Steel-Texas (Nucor); Environmental Defense Fund (EDF); the Commercial Group; ~~CPL Retail Energy, L.P. (CPL);~~ and Centerpoint Energy Houston (Centerpoint).
41. Oncor ~~reduced its ADFIT by~~ includes a \$43,539,628 deferred tax asset for its current and non-current alternative minimum tax (AMT) credits, thereby increasing the rate base.
43. The current income tax is paid based on the ~~taxing method (regular tax or AMT)~~ that yields the highest tax liability ~~must be used to compute the taxes.~~ Taxes paid on an AMT basis generate AMT credits that can be used to offset future regular taxable liability.
49. Ratepayers paid Oncor's FIT expenses calculated at the regular tax ~~return~~ rate irrespective of how Oncor, or EFH, actually paid the IRS and irrespective of what tax method was used by EFH to calculate the taxes.
51. AMT credits (deferred tax asset) represents a prepayment of regular federal income taxes.
118. The average ~~remaining~~ service life for Oncor's distribution substations (FERC Account 362) is 50 years as recommended by Staff, not the 48 years proposed by Oncor.

119. The average ~~remaining~~ service life of Oncor's distribution poles, towers, and fixtures (FERC Account 364) is 41 years as proposed by ATOC, not the 38 years proposed by Oncor.
203. Oncor's energy efficiency program costs are recovered and adjusted ~~reconciled~~ annually and do not vary by energy usage or other variables.