Control Number: 38929

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PUBLIC UTILITY COMMISSION
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PUC DOCKET NO. 38929

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

RESPONSE OF ONCOR ELECTRIC DELIVERY COMPANY LLC TO THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR'S SEVENTH REQUEST FOR INFORMATION

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

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

I.
Written Responses

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

II.
Inspections

In those instances where materials are to be made available for inspection by request or in lieu of a written response, the attached response will so state. For those materials that a response indicates may be inspected at the Austin voluminous room, please call at least 24 hours in advance for an appointment in order to assure that there is sufficient space and someone is available to accommodate your inspection. To make an appointment at the Austin voluminous room, located at 1005 Congress, Suite B-50, Austin, Texas, or to review those materials that a response indicates may be inspected at their usual repository, please call Teri Smart at 214-486-4832. Inspections will be

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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: Howard V. Fisher

Matthew C. Henry
State Bar No. 00790870
Jo Ann Biggs
State Bar No. 02312400
E. Allen Nye, Jr.
State Bar No. 00788134
Vinson & Elkins LLP
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201-2975
Telephone: 214-220-7700
Facsimile: 214-486-3221

Howard V. Fisher
State Bar No. 07051500
Oncor Electric Delivery Company LLC
1601 Bryan Street, Suite 23-035C
Dallas, Texas 75201-3411
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 10th day of February, 2011.

Howard V. Fisher

REQUEST:

Please identify the components or devices which Mr. Jenkins (p. 6,1.6) refers to as "new technology-driven transmission and distribution investments." Distinguish items which are only transmission or distribution related.

RESPONSE:

The following response was prepared by or under the direct supervision of James A. Greer, the sponsoring witness to this response.

Oncor continues to invest in advanced technology, as we have done for many years, to improve reliability, safety, efficiency, customer satisfaction, and operational flexibility. Numerous advances in electric delivery technology have been made in recent years, and Oncor has incorporated those advanced technologies into its system to the extent they were appropriate for Oncor's system and cost-effective. For example, Oncor progressed from using all manually operated distribution network switches to using switches that could be controlled remotely by an operator. Now Oncor also uses automatic switches that are self-operating and can communicate with one another to coordinate actions in response to network disturbances, which provides a "self healing" reaction to an outage. Investments in such advanced technology allow the Company to maintain its top quartile status in reliability and operating costs per customer, while improving safety and customer satisfaction.

In addition, while Oncor does not invest heavily in basic research and development, we work closely with equipment manufacturers to identify the advanced technical functionalities that we need for our system. Those vendors then work to develop commercially viable equipment that use advanced technology, and those devices are made available to Oncor and other utilities.

The following is a description of examples of Oncor's technology-driven transmission and distribution investments that Mr. Jenkins is referring to in the referenced portion of his testimony:

Distribution

Oncor has invested in overhead and padmounted switchgear that have the capability to automatically isolate faulted sections of a circuit, thereby reducing the number of customers affected by an outage. The ability to communicate with these devices allows Oncor to monitor and remotely control that equipment through its Distribution Supervisory Control and Data Acquisition (DSCADA) system. The system can notify an Oncor system operator that a device has operated, and provides field personnel information that can direct them to the location of the problem, speeding resolution.

A major component of Oncor's advanced technology is the implementation of the Company's Outage Management System (OMS). OMS identifies the location of outages and predicts the isolating device, provides the extent of outages and the number of customers affected, calculates an estimation of restoration time, and calculates the number of resources required for restoration. OMS will eventually link all the various components listed above as well as new technologies yet to be developed. Communication between OMS and the Company's Advanced Metering System will be implemented in the near future to allow Oncor to be notified of an outage without having to rely on communication from the customer.

The Company has areas with Broadband over Power Line (BPL) technology incorporated into its distribution system. That BPL technology gives Oncor the capability of monitoring key components of the distribution system. This allows the Company to identify incipient issues and proactively schedule corrective action before a potential problem becomes an outage and impacts customers.

In addition, many of Oncor's distribution capacitor banks have been upgraded with two-way communication to allow for automated operation of those units, which improves power factor on the distribution system. This technology also allows Oncor to better identify maintenance needs on this type of equipment.

Transmission

Among the advanced technologies that Oncor has incorporated on the transmission grid include the use of microprocessor-based relays to replace old electromechanical relays. These devices are critical to the reliable operation of the transmission grid. These older relays were challenging to maintain, provided minimum information to assist in system event investigations, and had limited application flexibility. The use of microprocessor relays automatically provides accurate fault location, sequence of event data, and information that captures exact current and voltage waveforms of an event. These microprocessor-based relays and logic processors are used for automatic substation load restoration following system disturbances. These relays are also capable of providing real-time operating data that can be used for synchophasor analysis, leading to better understanding of the operating condition of the transmission grid.

To address the need for local reactive voltage support that has developed as a result of local generation being retired, Oncor has installed state-of-the-art static VAR compensators (SVCs), which provide voltage support in a matter of milliseconds.

REQUEST:

Please provide the earnings reports (including electronic worksheets) referenced on page 10, l. 1-5 of Mr. Jenkins' testimony.

RESPONSE:

The following response was prepared by or under the direct supervision of R. Keith Pruett, the sponsoring witness for this response.

The following information is provided in accordance with the agreement of the requesting party in lieu of the requested information. The information, as agreed to be provided, is a working copy of the EMR model, and has been provided to the propounding party. Other parties will be provided an electronic copy upon specific request.

REQUEST:

(a.) Please provide data and support for Mr. Jenkins' assertion that total demand per end use customer is down since Oncor's last rate case (p. 10, l. 15 - 23).

RESPONSE:

The following response was prepared by or under the direct supervision of Darrel E. Nelson and J. Michael Sherburne, the sponsoring witnesses for this response.

Please see Attachment 1 for the requested information.

ATTACHMENT:

Attachment 1 - Oncor Electric Delivery Company LLC, Customer and kWh Difference Between Rate Filings, 1 page.

Oncor Electric Delivery Company LLC
Customer and kWh Difference Between Rate Filings

Line No.	Rate Class	Docket 35717 Test Year Ending 12/31/2007 Annual Billing Units		Docket 38929 Test Year Ending 6/30/2010 Annual Billing Units		Comparison of Dockets			
						Customers		kWh	
		Customer	KWh	Customer	KWh	Difference	%	Difference	%
		(a)	(b)	(a)	(b)				
1	Residential Service	31,361,388	37,811,919,506	32,231,196	38,716,233,304	869,808	2.77%	904,313,798	2.39%
2	Secondary Service								
3	10 kW and Below	2,619,168	1,384,259,867	2,623,272	1,412,311,460	4,104	0.16%	28,051,593	2.03%
4	Greater than 10 kw								
5	Non-IDR	2,078,820	25,843,679,399	2,097,984	25,514,946,011	19,164	0.92%	(328,733,389)	-1.27%
6	IDR	53,820	17,433,354,504	56,772	16,933,760,558	2,952	5.48%	(499,593,946)	-2.87%
7	Primary Service								
8	10 kW and Below	23,736	27,691,513	23,088	27,147,860	(648)	-2.73%	(543,653)	-1.96%
9	Greater than 10 kw								
10	Non-IDR Distribution Line	36,912	859,235,058	39,264	936,942,976	2,352	6.37%	77,707,918	9.04%
11	IDR								
12	Substation	600	1,579,763,593	792	1,861,410,325	192	32.00%	281,646,731	17.83%
13	Distribution Line	8,808	9,548,538,613	9,156	8,824,689,843	348	3.95%	(723,848,770)	-7.58%
14	Transmission Service	1,860	11,266,265,872	2,088	9,825,378,570	228	12.26%	(1,440,887,302)	-12.79%
15	Lighting Service								
16	SL (Unmetered)	27,060	358,719,252	26,232	347,161,728	(828)	-3.06%	(11,557,524)	-3.22%
17	SL (Metered/Non-Co)	11,652	20,662,992	10,608	19,899,267	(1,044)	-8.96%	(763,726)	-3.70%
18	SL (Metered/Co)	1,416	1,374,413	1,332	1,250,216	(84)	-5.93%	(124,197)	-9.04%
19	Outdoor	888,132	128,069,292	791,328	115,760,352	(96,804)	-10.90%	(12,308,940)	-9.61%
20	Subtotal	928,260	508,825,949	829,500	484,071,563	(98,760)	-10.64%	(24,754,387)	-4.87%
21									
22	Total	37,113,372	106,263,533,874	37,913,112	104,536,892,469	799,740	2.15%	(1,726,641,405)	-1.62%

DOCKET 38929 ATTACHMENT 1
TO Cities RFI Set 1 Qs. 1
QUESTION NO. CITY-1-3(a)

REQUEST:

(b.) Has Oncor disclosed to investors the impact of reduced demand per end use customers? If yes, provide the excerpts of such discussion in investor presentations and disclosure statements.

RESPONSE:

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

To the extent reduced demand affects revenue, Oncor discloses the estimated amount of revenue decrease in its SEC Form 10-Ks and 10-Qs, which are filed with the PUCT. Please see Oncor's Response to Cities RFI Set 2, Question No. SH 2-01 for the specific Docket numbers and Item numbers where those documents may be found on the Interchange Retrieval System on the PUCT website. In Oncor's quarterly investor presentations, certain usage statistics are provided. The quarterly presentations and webcasts can be found online at Oncor's Website at the link below.

http://www.oncor.com/news/investor.aspx

For example, from Oncor's third quarter 2010 Investor Call, Mr. Davis in his presentation said, "After adjusting for warmer weather and premise growth, comparable residential usage per customer versus the prior year declined slightly, by 0.4%. Year-to-date average usage per residential premise compared to 2009 has declined by about the same amount indicating consumers continue to pursue energy conservation measures."

REQUEST:

With respect to the claim made referenced in No. 3, above, please separate the impact of economic recessionary conditions from increases in end user energy efficiency.

RESPONSE:

The following response was prepared by or under the direct supervision of Darryl E. Nelson, the sponsoring witness for this response.

The Company has not conducted a formal analysis that quantifies the separate impact of economic conditions and end-user energy efficiency measures with regard to the declining demand on a per customer basis.

REQUEST:

To the extent that the Company is experiencing reductions in demand per end use, please describe whether the Company has reduced distribution capital expense budgeting to reflect reduced load growth. Provide all documents related to this subject.

RESPONSE:

The following response was prepared by or under the direct supervision of James A. Greer, the sponsoring witness to this response.

Oncor's overall distribution capital investment has not been reduced as a result of total demand per end-use customer being down since Oncor's last base rate case. Additional details regarding the Company's capital investment planning and budgeting process, including capital budgeting for distribution investments, is addressed in the Direct Testimony of James A. Greer and the Direct Testimony of Brenda J. Pulis.

REQUEST:

Has Oncor or EFH utilized weather normalized sales or revenue data in investor presentations or SEC filings within the last five years? If yes, provide the excerpts of such discussions and any and all documents related to those discussions.

RESPONSE:

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

In some cases, Oncor has used weather-adjusted data. Please see Oncor's Response to Cities RFI Set No. 7, Question No. CJ 7-03(b). Oncor is not aware of EFH's use of weather-adjusted data, but SEC filings and investor presentations for EFH may be found at the following website address:
http://www.energyfutureholdings.com/financial/default.aspx.

REQUEST:

With respect to Mr. Jenkins' reference to new non-TCOS related plant installed since Dec. 31, 2007 (p. 13, 1. 19-20), please identify the plant costs by FERC Account. With respect to the distribution delivery invested capital, separate the new plant investment into growth-related, maintenance, replacement, and any other categories used by the Company.

RESPONSE:

The following response was prepared by or under the direct supervision of R. Keith Pruett and James A. Greer, the sponsoring witnesses for this response.

Please see Attachment 1 for the requested information.

ATTACHMENT:

Attachment 1 - Oncor Electric Delivery; Additions to Plant; January 2008 to June 2010; 1 page.

DOCKET 38929 ATTACHMENT 1
TO Cities Set No. 7
QUESTION NO. CJ 7-07

Oncor Electric Delivery
Additions to Plant
January 2008 to June 2010

Description	Additions
Investment subject to recovery	2,431,504,666.21
Less: AMS Investment	260,986,843.72
Less: Known & Measurable	7,239,335.41
Less: Investment subject to Interim TCOS Filings	916,854,342.28
Non-TCOS related plant installed since 12-31-07	1,246,424,144.80

Classifications	Additions
Function DIST Transmission	196,212,490.96
Transmission General Plant	7,773,773.17
Transmission Intangible	9,837,766.83
Distribution General Plant	120,426,364.44
Distribution Intangible	118,101,933.21
Distribution Delivery	794,071,816.19
	1,246,424,144.80

Categories	Additions Distribution Delivery
Capacitors	11,515,984.03
Distribution Infrastructure Maintenance	201,149,479.08
Other	3,149,701.24
Relocations	92,451,860.87
Serve New Locations	425,549,780.74
System Capacity	60,255,010.23
	794,071,816.19

FERC Account	Description	Additions
303	Intangible	127,939,700.04
353	Substation Equipment	61,997,737.18
360	Land Rights	2,040,994.05
361	Structures & Improvements	13,346,439.15
362	Substation Equipment	113,435,551.86
364	Poles, Towers & Fixtures	184,583,890.83
365	Overhead Conductor & Devices	75,679,490.26
366	Underground Conduit	52,948,390.21
367	Underground Conductor & Devices	177,880,348.55
368	Line Transformers	160,274,189.32
369	Services	91,265,781.76
370	Meters	18,303,290.23
371	Installations on Customers' Premises	1,717,769.19
373	Street Lighting & Signal Systems	29,397,376.57
374	Land Owned in Fee	7,413,057.99
388	Land Owned in Fee	14,364,744.41
390	Structures & Improvements	8,246,799.25
391	Office Furniture & Equipment	8,104,971.10
392	Transportation Equipment	24,957.46
393	Stores Equipment	183,175.32
394	Tools, Shop & Garage Equipment	4,857,500.52
395	Laboratory Equipment	2,964,621.07
396	Power Operated Equipment	371,893.66
397	Communication Equipment	88,221,870.00
398	Miscellaneous Equipment	844,728.26
399	Other Tangible Property	14,876.56
		1,246,424,144.80

REQUEST:

Please provide all documents and analyses which support Mr. Jenkins' statement that Oncor has maintained top quartile reliability. In addition, please explain how Mr. Jenkins' claim regarding Oncor's reliability record is consistent with violations of PUC reliability standards pertaining to poor performing feeders in 2007, 2008, and 2009.

RESPONSE:

The following response was prepared by or under the direct supervision of Brenda J. Pulis and Charles W. Jenkins, the sponsoring witnesses for this response.

Oncor relies on benchmarking data, obtained from peer utilities, to determine its position in comparison to its peer group of utilities and relative to the top quartile of those peers. The performance of all feeders on the Oncor system is used to determine Oncor's performance compared to the performance of other utilities in the peer group. The PUCT performs a different analysis in determining a violation of the Commission's Substantive Rule 25.52, in that the PUCT's analysis looks at the performance of individual feeders, not at the performance of all feeders as a system. Thus, there is no inconsistency between Mr. Jenkins' testimony and any violations found by the PUCT. Please note that the performance of feeders that resulted in a notice of violation from the PUCT is included in the overall system performance indices.

The benchmarking data that supports Oncor's claim of top quartile performance is found in the response to Cities RFI Set No. 7, Question No. CJ 7-11.

REQUEST:

Mr. Jenkins states that Oncor continually reviews its methodologies and practices to ensure safety, reliability, and economical operation of its system (p. 30, 1. 20-22). Please provide supporting documentation for this statement, and identify methodologies and practices that were modified as a result of the reviews.

RESPONSE:

The following response was prepared by or under the direct supervision of Charles W. Jenkins, James A. Greer, and Brenda J. Pulis, the sponsoring witnesses for this response.

The following information is provided in accordance with the agreement of the requesting party in lieu of the requested information. The information, as agreed to be provided, consists of asset plan meeting documents and an example of modified methodologies related to safety, reliability, and economical operation.

Oncor, as a part of our ongoing review of our safety practices, identified an area of emphasis that held potential to significantly improve our safety performance. Oncor has long focused on having its field leadership observe the crew activities across the Company with a view towards identifying both positive modifications to the work practices the field personnel were employing, as well as identifying potential at-risk activities that need to be corrected. Attachment 1 to this response is a recent presentation given by Ms. Pulis to a group of Transmission leaders that addresses the topic of safety observations. Our research indicates that there is a direct correlation to the quantity and quality of the safety observations made and reported to the safety results achieved. We have expanded our observation practice by increasing the pool of observers, as well as increasing the accountability for making and tracking these observations.

With respect to reliability, overhead reclosers (an example of an advanced technology investment) are currently being installed that can communicate back to our Distribution SCADA system. This allows system operators to know about recloser operations near real time, rather than having to wait for lights-out calls to direct them to an open isolating device. As many reclosers are remote from our crew locations, this communications ability allows operators to remotely operate the isolating devices and reduce the potential outage time from what it would have been had trouble personnel been required to drive to the equipment location, thus improving both reliability and economical operation.

Another example of improved economical operation from our ongoing reviews would be the implementation of transformer oil reclamation. Attachment 2 to this response is a

proposal presented to members of Oncor's leadership team regarding the merits of pursuing on-site oil reclamation. As a result of the installation of an oil reclamation unit in 2010, Oncor was able to reclaim over 200,000 gallons of transformer oil, thus offsetting the need for, and cost of, new oil as well as avoiding the cost of either having the oil processed or disposed of.

The information requested is voluminous and confidential and will be made available in the Austin Voluminous Room only after execution of a certification to be bound by the protective order in this docket. An index of the voluminous and confidential information is included in Attachment 3.

ATTACHMENTS:

ATTACHMENT 1 - Transmission Safety Mtg. Jan. 2011.ppt, 4 pages
ATTACHMENT 2 - Transformer Oil Reclamation, 19 pages
ATTACHMENT 3 - Voluminous Confidential Index, Cities Set 7, CJ 7-09, 2 pages

Docket 38929
Attachment 1
To Cities Set No. 7
Question No. CJ 7-09

Safety

January 2011

Oncor Electric Delivery

Safety Observations

- Important
  - Helpful – critical training tool
    - Identify areas for improvement
    - Allow for immediate correction
  - Required in certain situations
    - Compliance threshold
    - OSHA
    - Documentation – if not documented they didn't happen
- Provide Leading Indicators
  - Address issues before they become an accident
- Proven Results
  - Quality vs. Quantity

Observations provide Leading Indicators

Field Employee Tasks

- Work Practices and Procedures
- Use of Personal Protective Equipment
- Use of Tools and Equipment

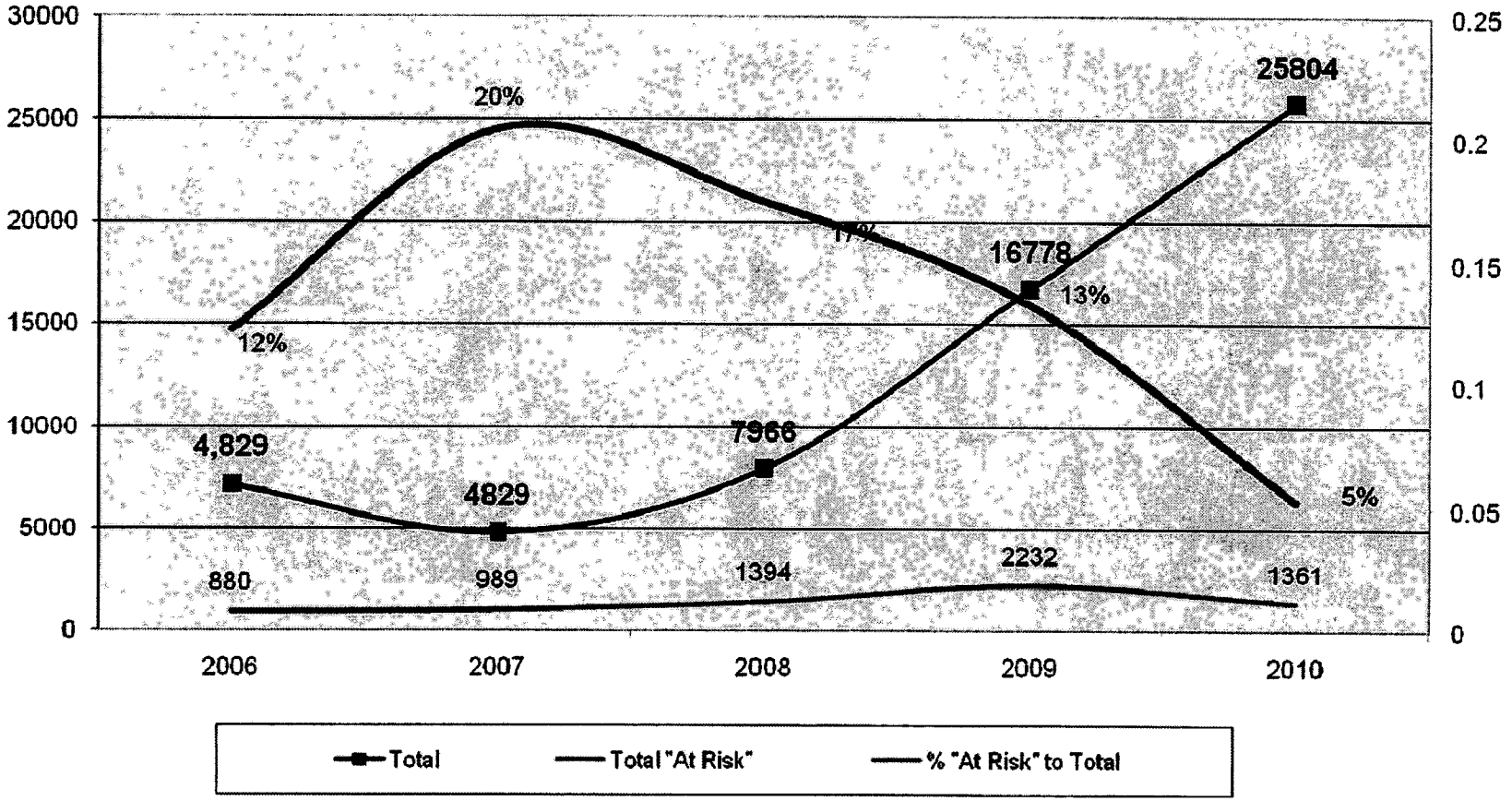
Driving

- Vehicle Maneuvering
- Entering Intersections
- Safe Driving Practices (Smith Driving Keys)

Office Employees

- Reviewing Housekeeping
- Posture (proper position of desk work)
- Ergonomics (proper positioning for various work station task)

Oncor ED D & MS
All Observations Year-end and thru December 2010



Docket 38929 Attachment 2
To Cities Set No. 7
Question No. CJ 7-09

Transformer Oil Reclamation

Oncor Group EHS Waste Management

Why Reclaim Oil ???

- Waste Management (WM) continues to reduce cost's, with our clients needs in mind, by configuring a Transformer Oil Purification System in the fall of 2000.

- Due to a declining number of oil producers and anticipated price increases of insulating oil, Waste Management initiated a project to reclaim insulating oil.

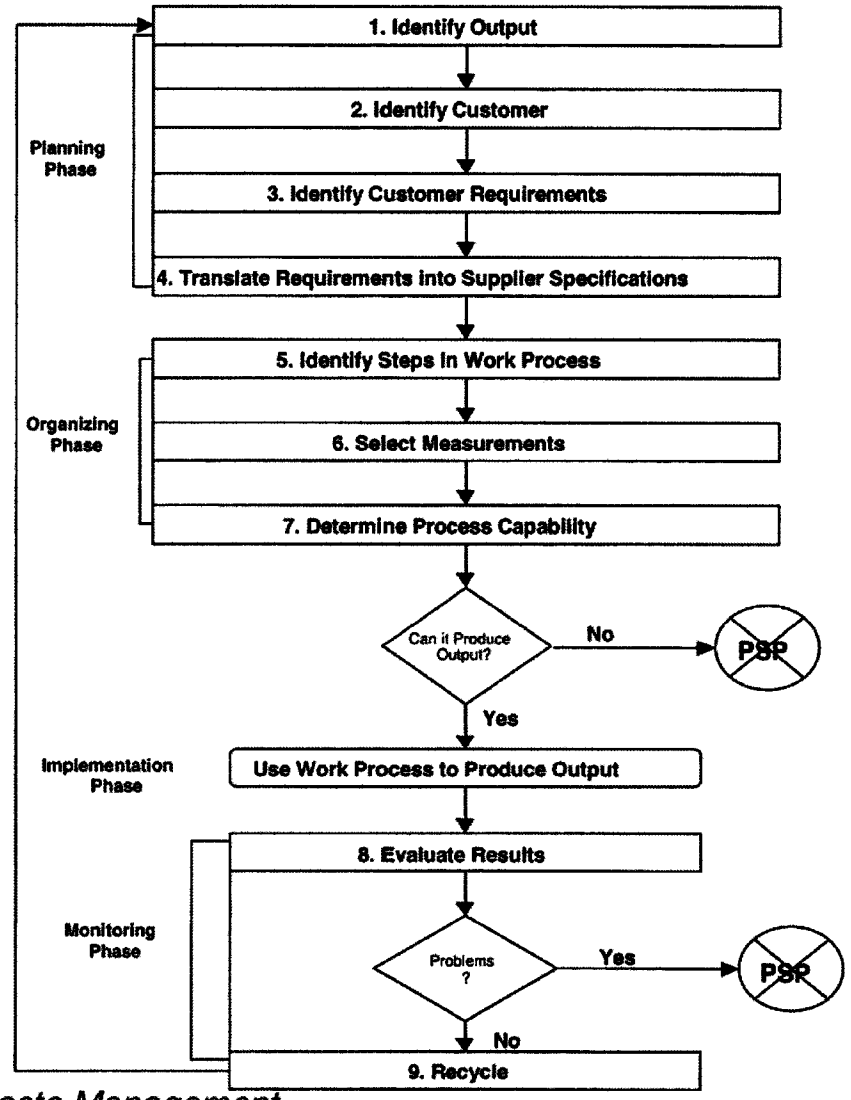
History

- In the fall of 2000 we received a oil purification unit.

- By March of 2001 we successfully reclaimed Used <1 PPM PCB transformer oil.

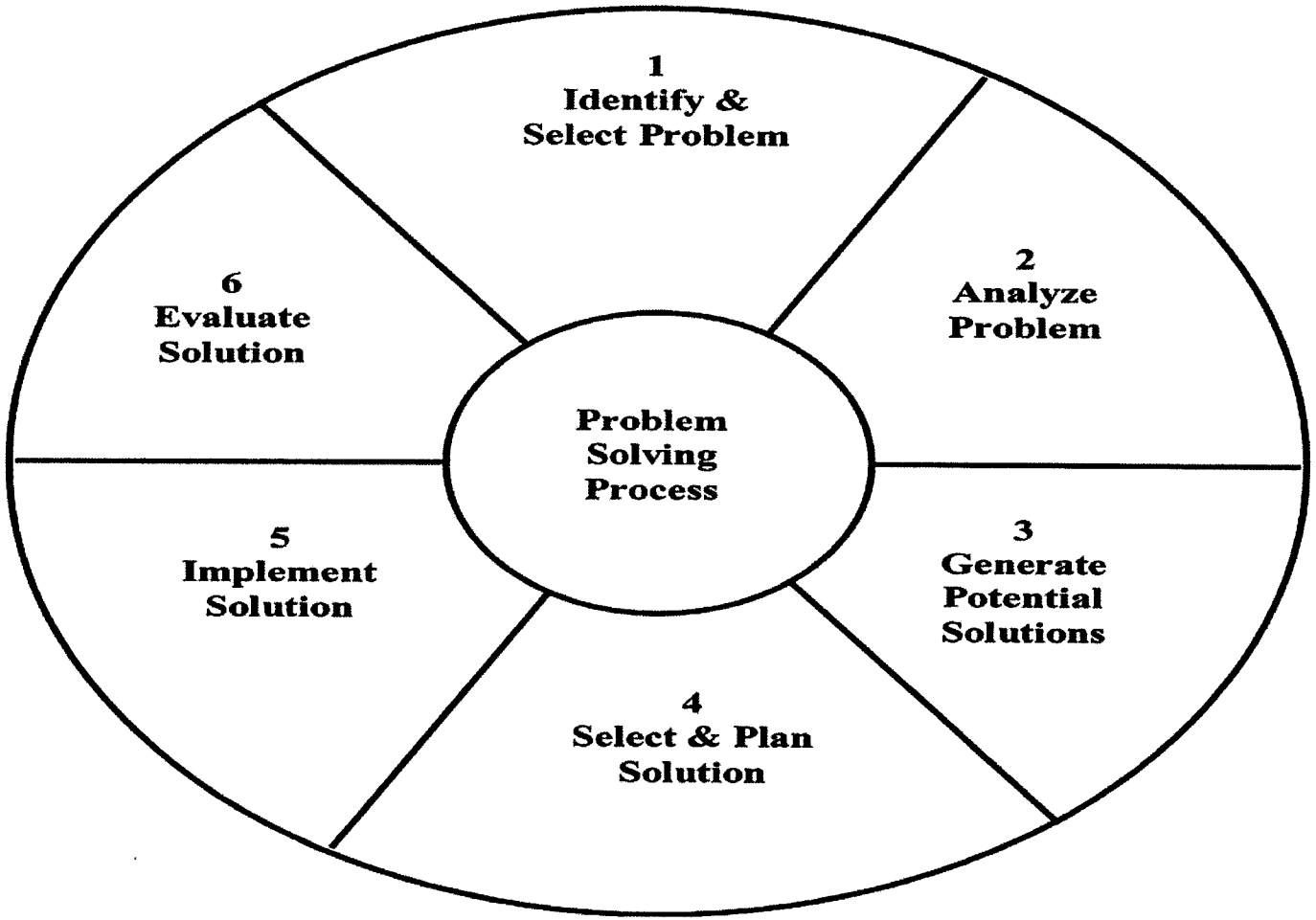
- In April of 2001 WM and Equipment Management (EM) combined forces, assembled a team, and applied Performance Process Improvement (PPI) fundamentals to improve the processes involved with reclaiming insulating oil.

Process Improvement Tool



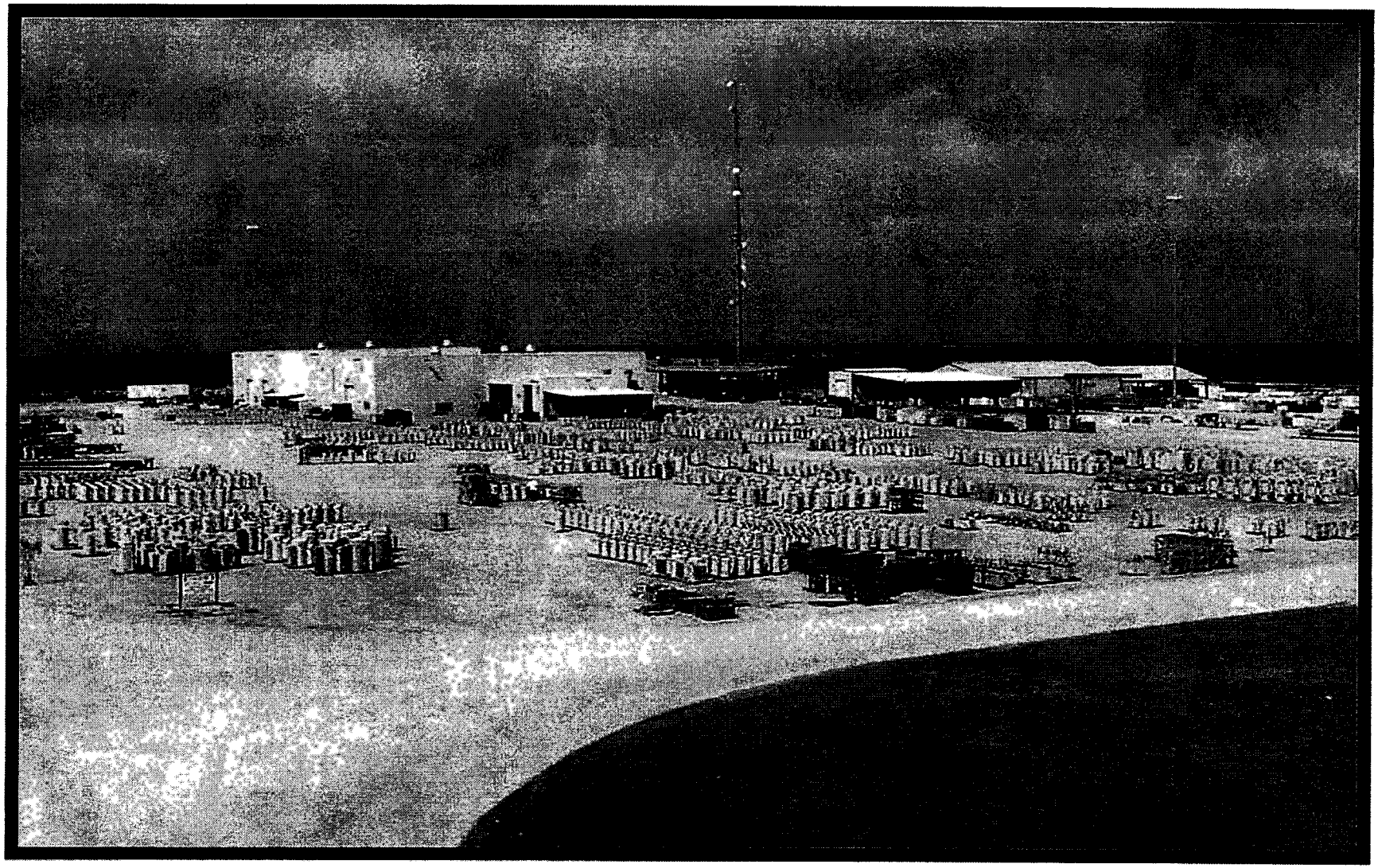
Oncor Group EHS Waste Management

Problem Solving Process



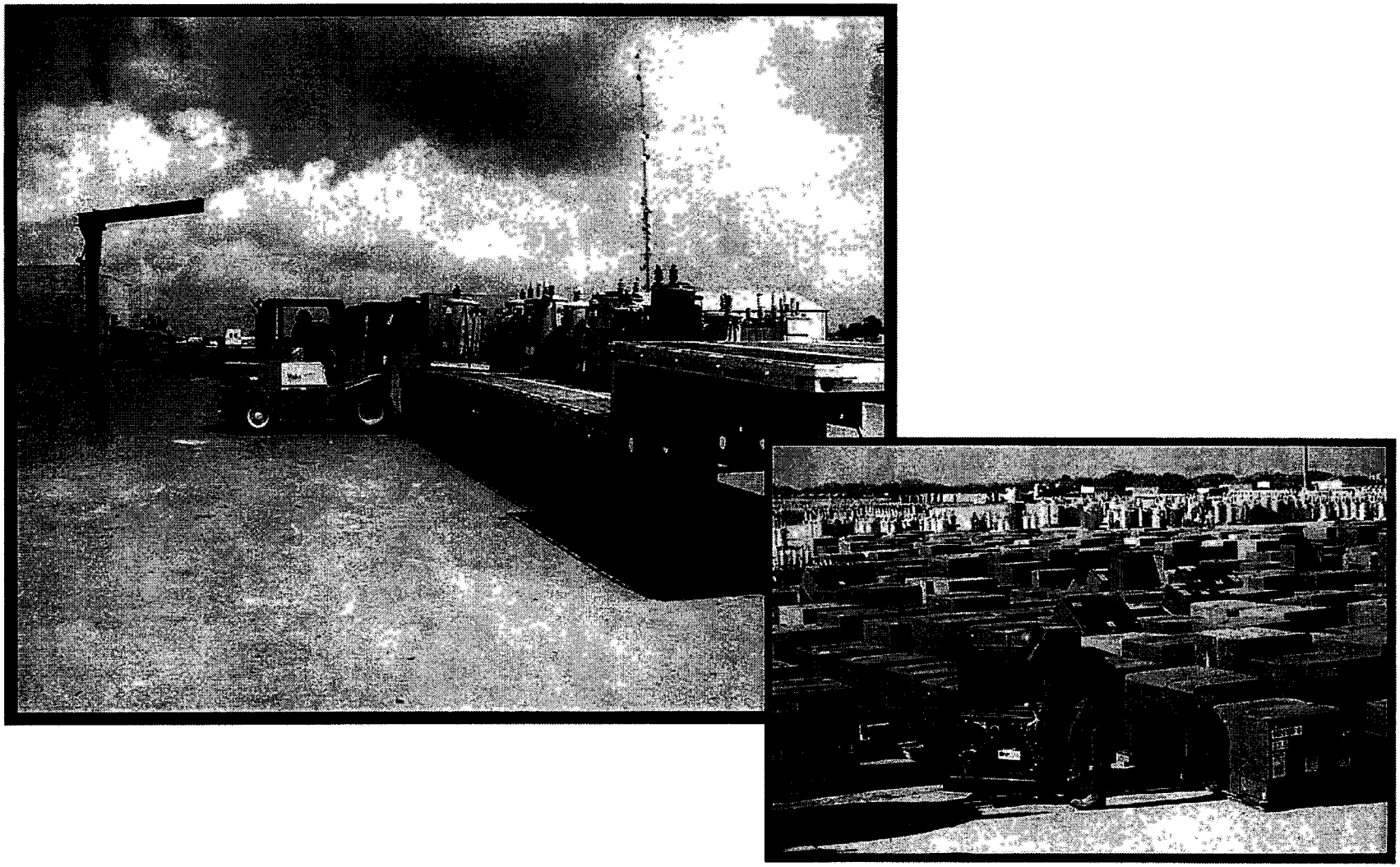
Oncor Group EHS Waste Management

SOSF Facility

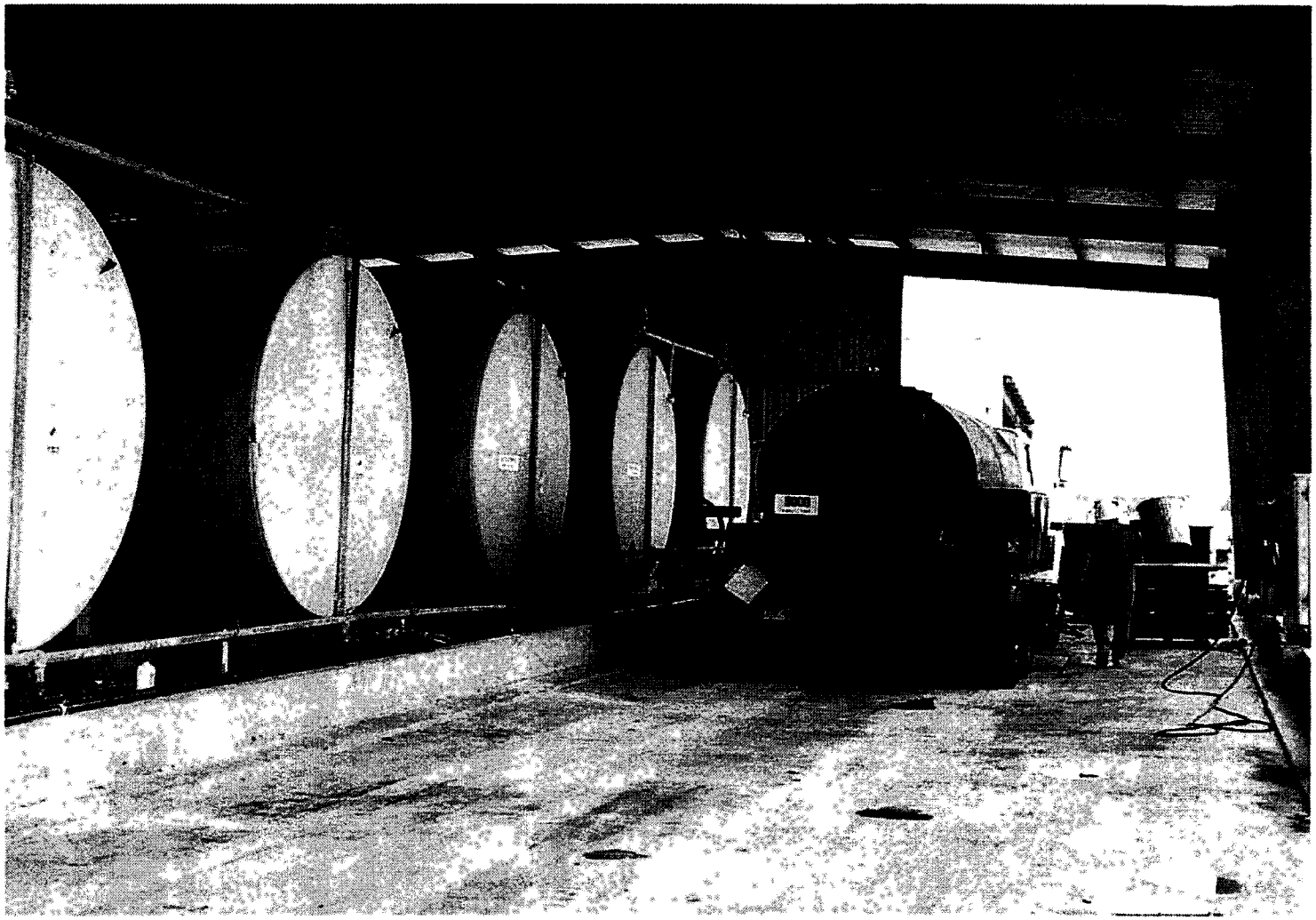


Oncor Group EHS Waste Management

20K Units Handled Annually



Oncor Group EHS Waste Management



Oncor Group EHS Waste Management

IEEE Recommendations

Suggested Property Requirements of Reclaimed Oil for Transformers

Property	Limit	ASTM Test Methods
Physical		
Flash Point, min,° C	140	D92
Pour Point, min, °C	-40	D97
Specific Gravity, 15 / 15 °C, max	0.91	D1298
Viscosity, max,cSt at 40° C (mm^2/s)	12.0	D88 or D445
Color max	**1.5**	D1500
Visual examination	Clear	
Interfacial tension, min, mN/m	**35**	D971
Electrical		
Dielectric breakdown voltage, 60 Hz, kV, min	**30**	D1816
Power factor at 60 Hz, 100 °C, max, %	**1**	D924
Chemical		
Neutralization number, max, mg KOH/g	0.05	D974
Oxidation inhibitor, max % by wgt	0.3	D2668
Oxidation stability, min, minutes	150	D2112
Oxidation stability		D2440
164 h		
% sludge, max	0.25	
Total acid no, max, mg KOH/8	0.50	
Water max, PPM	**35**	D1533

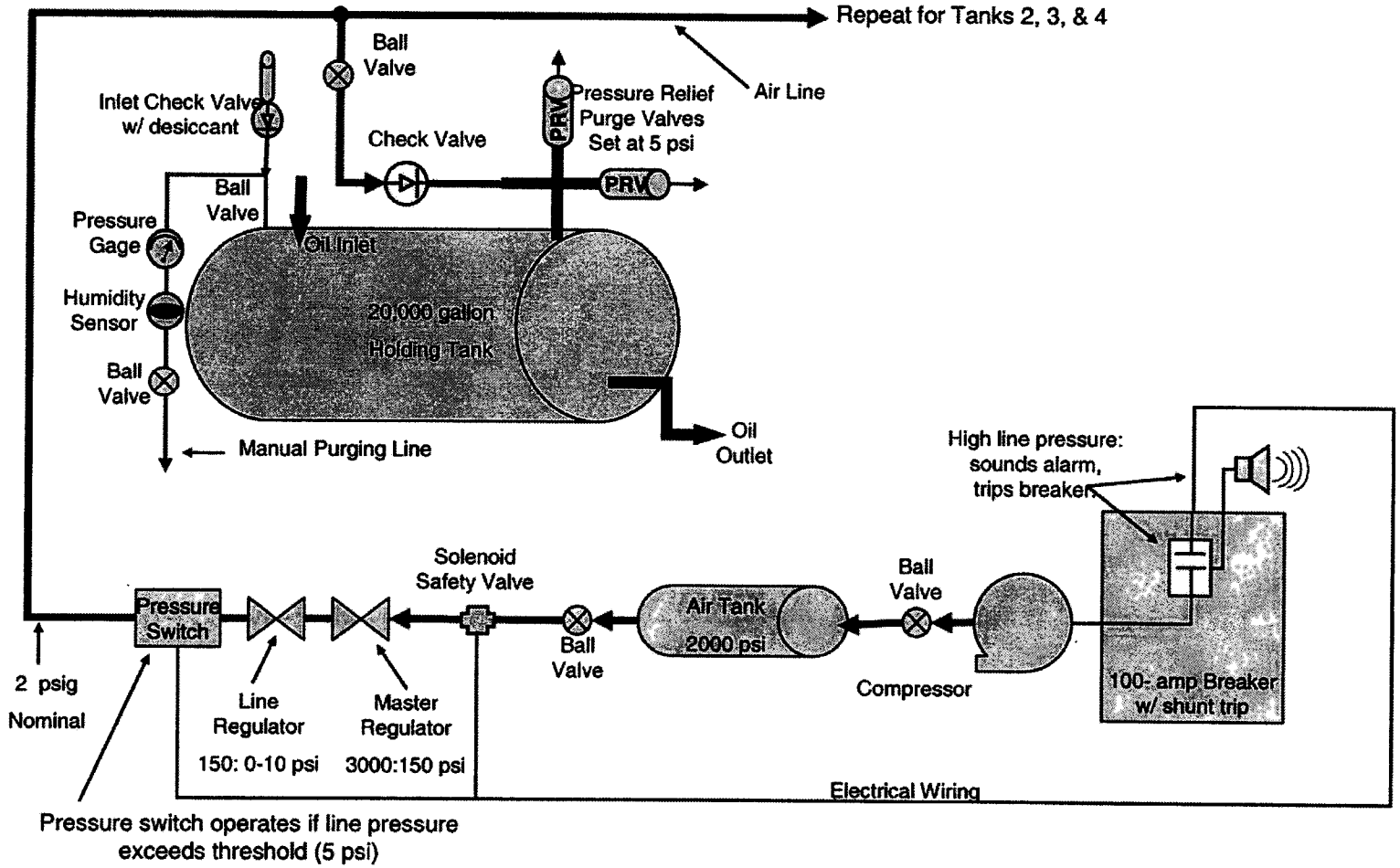
Table 6

Oncor Group EHS Waste Management

Major Challenges

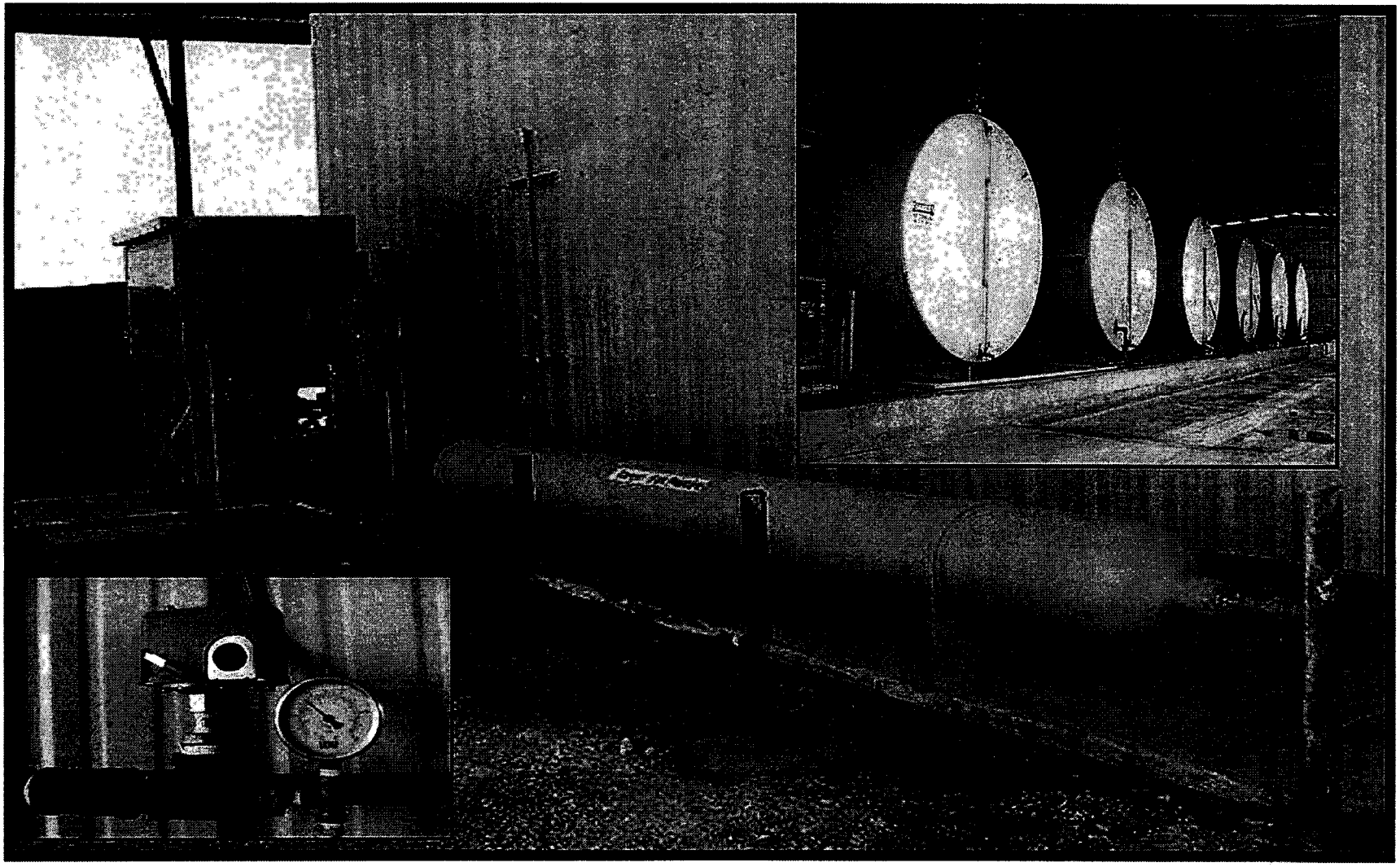
- Re-pipe Tank Farm (2001)
- Re-pipe Day Tank area & SHOP (2001 & 2002)
- Process Cycle Time: 7 to 14 days
  - Insufficient Power ***(May 2002)***
  - Additional Fullers Earth ***(Fall 2002)***
  - Additional Heating ***(Winter 2001)***
  - Eliminate high water content from oil processing ***(Training & Analytical Support)***
  - Install a Dry Air System ***(Fall 2002)***
  - Record Keeping ***(On-going PPI)***

Dry-Air System



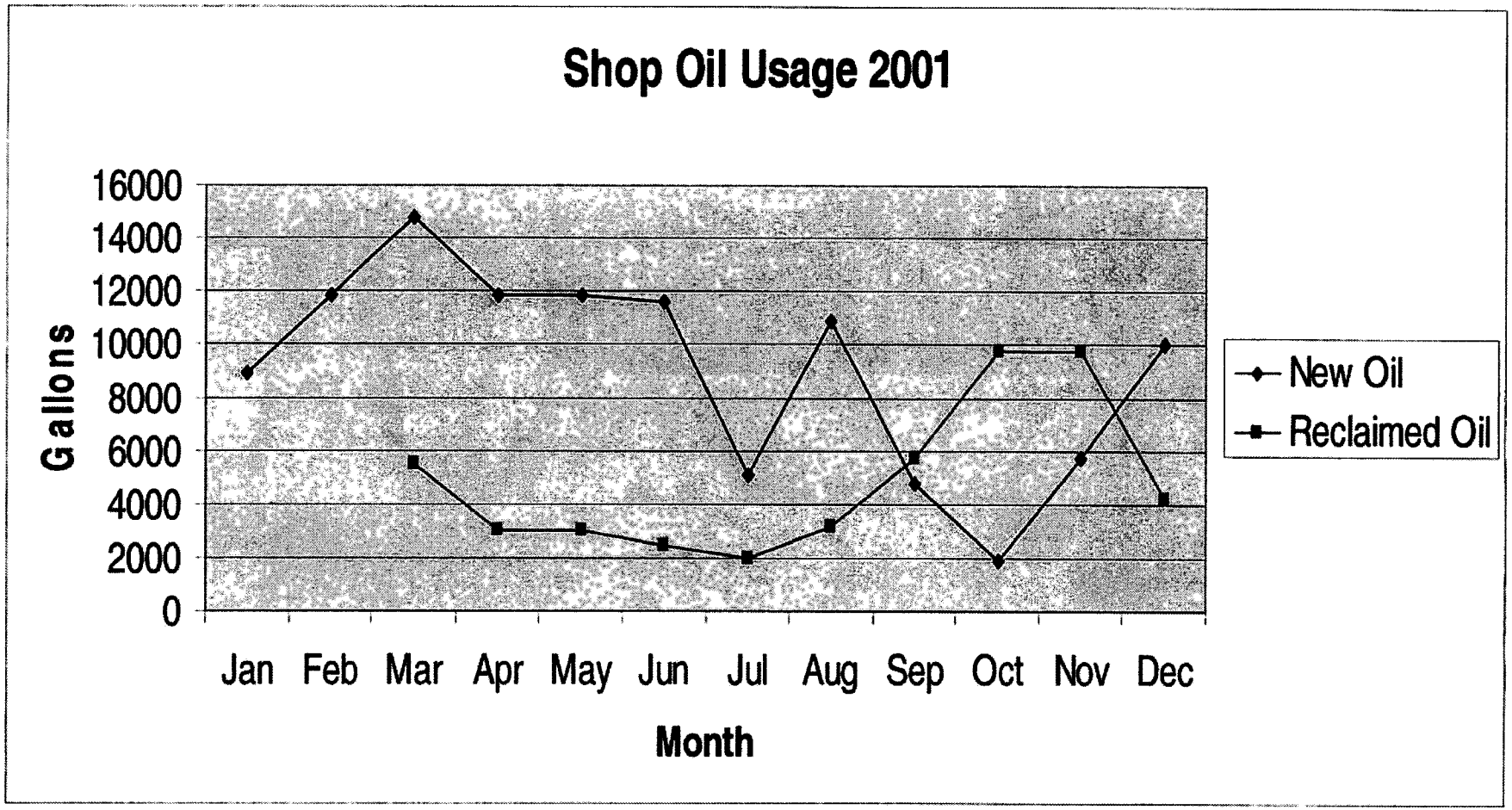
Oncor Group EHS Waste Management

Dry-Air System



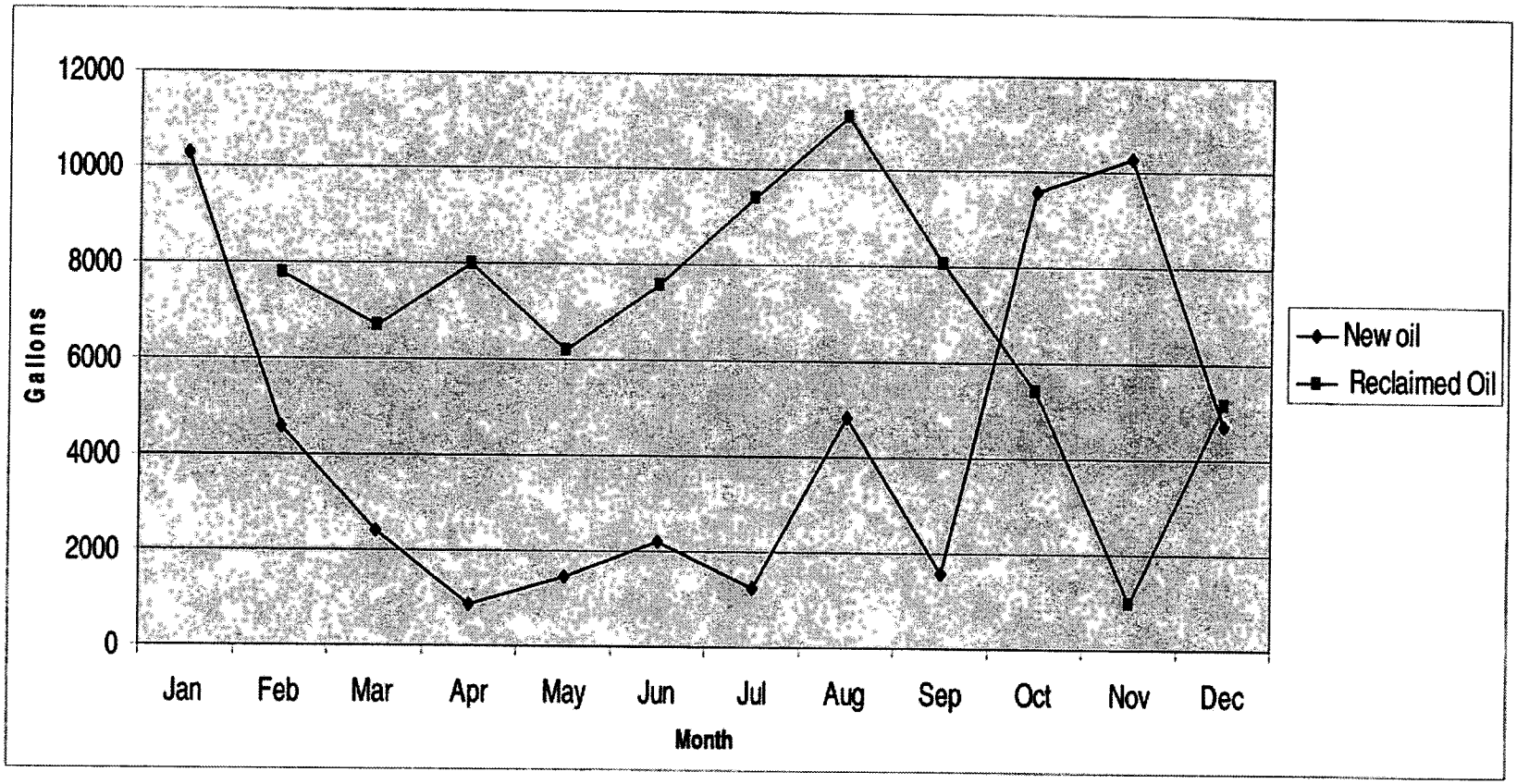
Oncor Group EHS Waste Management

Shop Oil Usage 2001



Oncor Group EHS Waste Management

Shop Oil Usage 2002



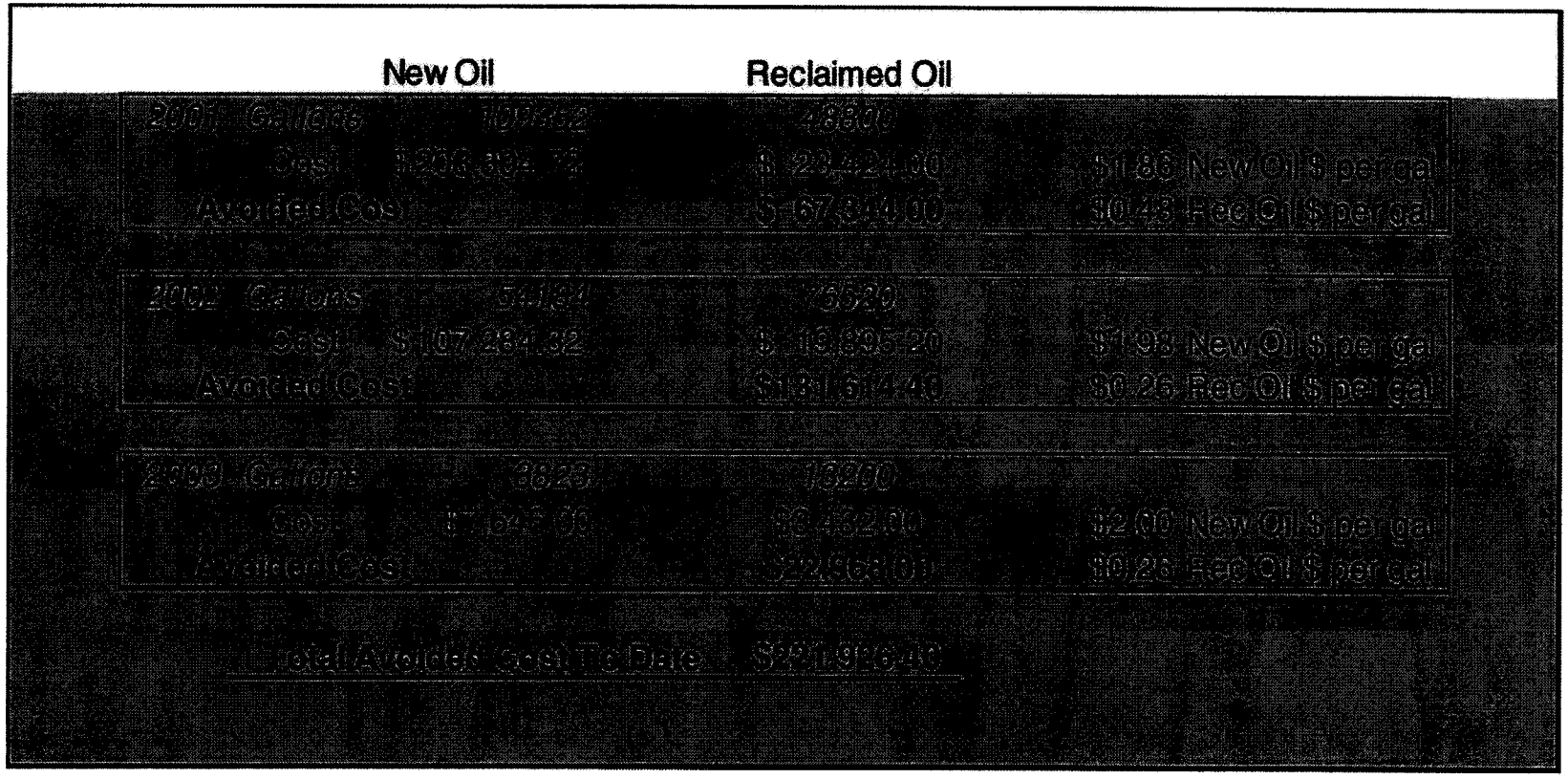
Oncor Group EHS Waste Management

Oil Production (To-Date)

- 2001 48,600 gal. reclaimed
- 2002 76,520 gal. reclaimed
- 2003 19,850 gal. reclaimed

- Total 144,950 gal.

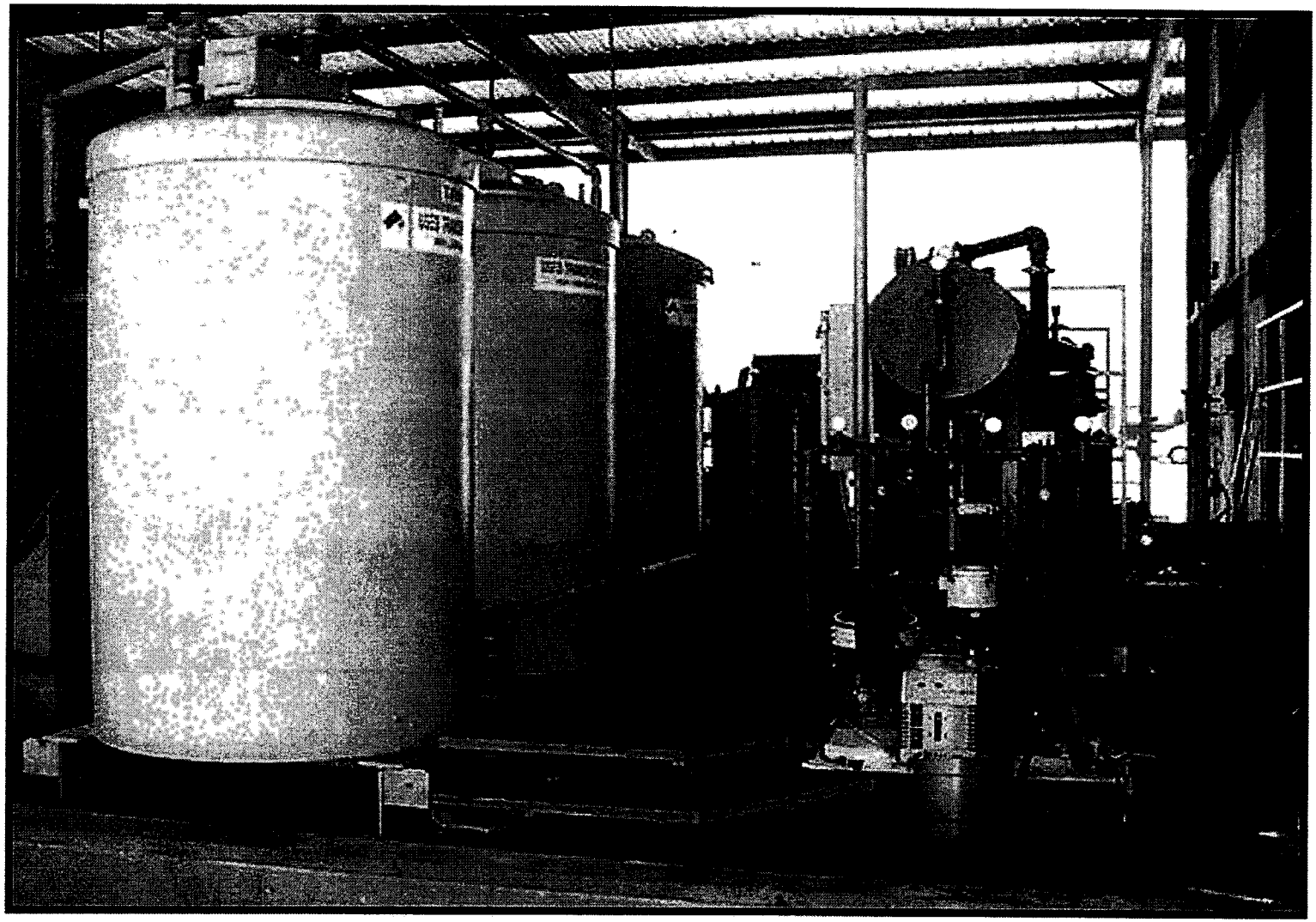
Avoided Costs To-Date



	New Oil	Reclaimed Oil	
2001 Gallons	10562	48500	
Cost	$ 208,694.72	$ 28,424.00	$1.86 New Oil $ per gal
Avoided Cost		$ 67,344.00	$0.43 Rec Oil $ per gal
2002 Gallons	54134	76520	
Cost	$ 107,284.32	$ 19,895.20	$1.98 New Oil $ per gal
Avoided Cost		$ 131,614.40	$0.26 Rec Oil $ per gal
2003 Gallons	3823	18200	
Cost	$ 6,450.00	$ 3,432.00	$2.00 New Oil $ per gal
Avoided Cost		$ 22,568.01	$0.26 Rec Oil $ per gal
Total Avoided Cost To Date		$ 221,926.40	

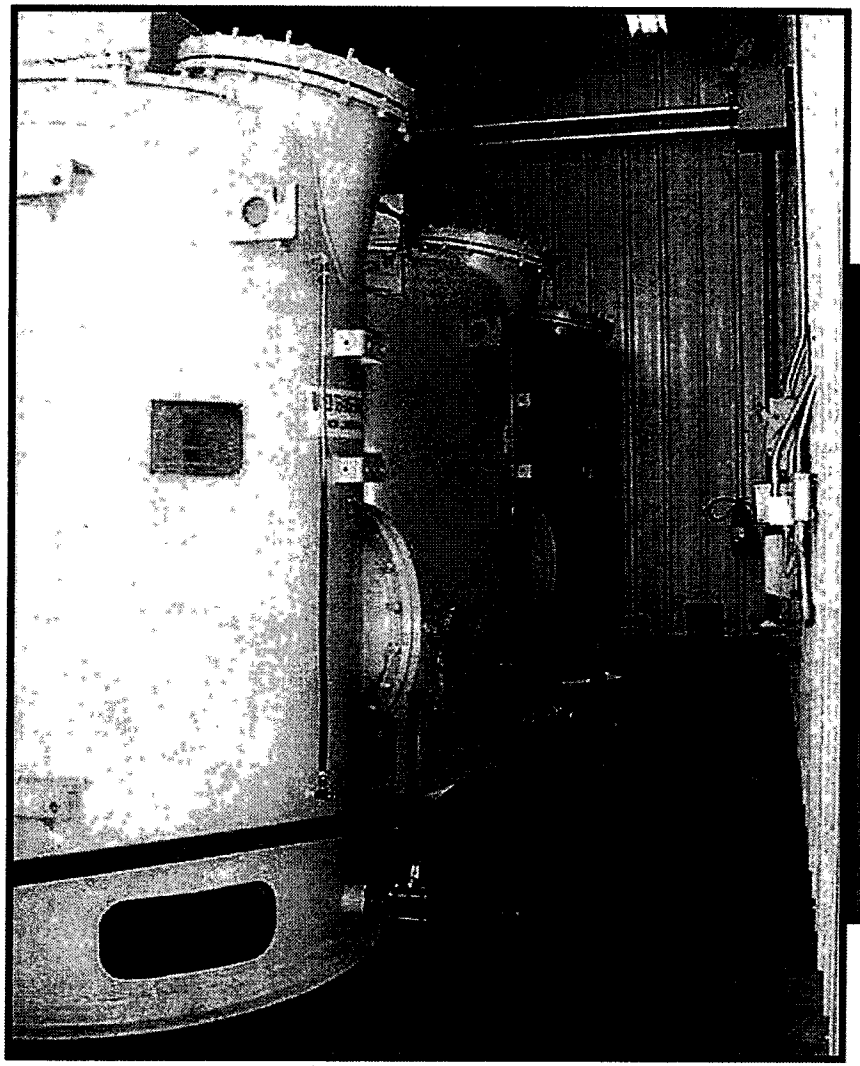
Oncor Group EHS Waste Management

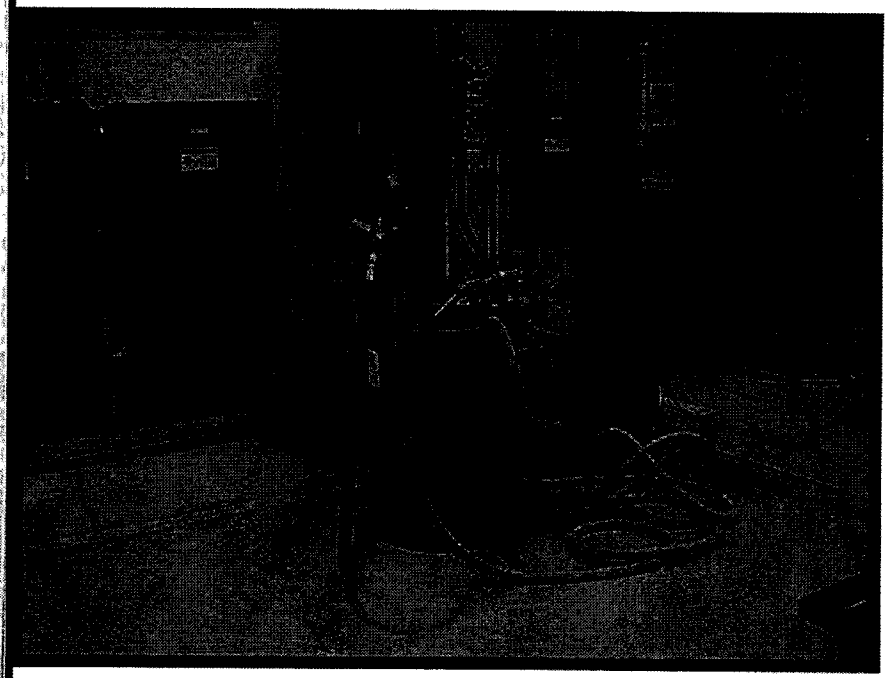
Reclamation Area



Oncor Group EHS Waste Management

Shop Tanks & Pumping Station





Oncor Group EHS Waste Management

Special Thanks To:

- EHS Waste Management
- SOSF Lab: Analytical Support
- PPI Team: Ray Cumpton, Beto Cortez, Foyd Ross
- SOSF SHOP

Voluminous Confidential Index, Cities Set 7, CJ 7-09

Item #	Title/Description	Date	Preparer	# of Pages
1	July 2009 Asset Plan Review Meeting	July 21, 2009	Oncor	42
2	August 2009 Asset Plan Review Meeting	August 20,2009	Oncor	33
3	September 2009 Asset Plan Review Meeting	September 22, 2009	Oncor	30
4	October 2009 Asset Plan Review Meeting	October 20, 2009	Oncor	29
5	November 2009 Asset Plan Review Meeting	November 19, 2009	Oncor	37
6	December 2009 Asset Plan Review Meeting	December 17, 2009	Oncor	29
7	January 2010 Asset Plan Review Meeting	January 21, 2010	Oncor	31
8	February 2010 Asset Plan Review Meeting	February 18, 2010	Oncor	28
9	March 2010 Asset Plan Review Meeting	March 18, 2010	Oncor	31
10	April 2010 Asset Plan Review Meeting	April 22, 2010	Oncor	31

11	May 2010 Asset Plan Review Meeting	May 20, 2010	Oncor	33
12	June 2010 Asset Plan Review Meeting	June 17, 2010	Oncor	38

REQUEST:

Please provide all internal audits and contracted evaluations performed in the last 5 years of Oncor's distribution construction program.

RESPONSE:

The following response was prepared by or under the direct supervision of R. Keith Pruett and James A. Greer, the sponsoring witnesses for this response.

Portions of the information requested are confidential and will be made available only after execution of a certification to be bound by the protective order in this docket. An index of the confidential information is included in Attachment 1. The following information is provided in accordance with the agreement of the requesting party in lieu of the requested information. The information, as agreed to be provided, consists of internal audits and contracted evaluations of Oncor's distribution construction program since 2008.

See Attachments 2 and 3 for non-confidential internal audits performed by year for 2008 and 2009.

ATTACHMENTS:

ATTACHMENT 1 - Non-Voluminous Confidential Index, 1 page.

ATTACHMENT 2 - Oncor Electric Delivery, PUC Docket No. 38929, Internal Audit Reports Issued by Year, 2008, 6 pages.

ATTACHMENT 3 - Oncor Electric Delivery, PUC Docket No. 38929, Internal Audit Reports Issued by Year, 2009, 5 pages.

DOCKET 38929 ATTACHMENT 1
TO Cities RFI SET 7
QUESTION NO. CJ 7-10

Oncor Electric Delivery
PUC Docket No. 38929
Internal Audit Reports Issued by Year
Confidential Index
CJ 7-10

	2009		
	Business	**Audit No.**	**Audit Title**
1	Oncor Electric Delivery	2008-244	Flowers Construction Company, 4 pages

Oncor Electric Delivery
PUC Docket No. 38929
Internal Audit Reports Issued by Year
Confidential Index
CJ 7-10

	2010		
	Business	**Audit No.**	**Audit Title**
2	Oncor Electric Delivery	2008-237	New Master Agreement Implementation, 3 pages
3	Oncor Electric Delivery	2009-002	Standard Utility Contract Compliance, 5 pages
4	Oncor Electric Delivery	2009-006	ABB Contract Compliance, 4 pages

DOCKET 38929 ATTACHMENT 2
TO Cities RFI SET 7
QUESTION NO. CJ 7-10

Oncor Electric Delivery
PUC Docket No. 38929
Internal Audit Reports Issued by Year
CJ 7-10

2008		
Business	**Audit No.**	**Audit Title**
Oncor Electric Delivery	2008-067	Engineering On-the-Go Process Audit

Oncor Electric Delivery
Engineering On-the-Go Process
Audit Number 2008-067

Audit Report

This report is intended solely for the use of the management of Oncor Electric Delivery. It may be susceptible to misinterpretation if used by any other group or individual.

BACKGROUND

Oncor Electric Delivery (Oncor) capital projects are initiated by system improvement plans, retail customer requests or service restoration work. Typically, the process begins with a design created from the Facilities Rulebase Application Model Management Environment (FRAMME.) FRAMME is used to graphically depict Oncor's physical property units. The integrated Work Management Information System (WMIS) translates FRAMME's graphical design into a job estimate. However, using FRAMME is cumbersome when there are multiple design changes and/or estimates performed before the work is approved. In an effort to streamline routine design work, Oncor began piloting a new concept in August of 2006, called On the Go (OTG). This new process allows the design, approval and construction of capital work to occur before the physical equipment changes are updated in FRAMME.

The key OTG application, a simulated copy of WMIS, is called the Non-Graphical Estimating Tool (NET). It creates preliminary construction cost estimates instead of FRAMME until the final estimate is approved. The designer then hand-sketches the project design, submits the NET estimate which releases the material list to the Procurement Material Management System (PMMS). The work instructions are provided to the appropriate construction group and when completed, the pertinent project documentation is forwarded to the Distribution Records Support (Records) group for the project's final material reconciliation, FRAMME update (including as-built changes) and WMIS closure.

Audit work began before the entire OTG end-to-end process was integrated to allow greater control input during development. As the audit progressed, all interfaces were completed; but, the timing affected the ability to adequately test OTG's fully operational controls. Since OTG is a subset of Distribution's Work Request (WR) process, the OTG controls not fully tested in this audit will be tested during the WR Process audit.

OBJECTIVES

Objectives	Assessment*
The objectives of this audit were to determine whether:	
1. Property proposals and modifications were properly approved	Y
2. Project documentation was appropriately retained	Y
3. Property modifications were accurately and timely updated in FRAMME	[illegible]
4. Accounting data delivered to FIM was accurate and complete	Y

October 8, 2008

Oncor Electric Delivery
Engineering On-the-Go Process
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SCOPE

The scope of this audit included:

On the Go Pilot activity, including the NET tool's Contribution-In-Aid-of-Construction (CIAC) calculations, from January 1, 2007 to August 31, 2008.

The audit did not include reviewing blanket charge applications, WMIS cost unit details, design accuracy or other aspects of the CIAC process (see Audit No. 2008-074).

SUMMARY COMMENTS

Our audit conclusions are based on the review work that was limited by the process' pilot status and incomplete state during the audit field work phase. However, the existing controls tested within the On the Go process indicated adequate design but some controls are not operating effectively in some areas. Some control issues and opportunities to enhance controls were identified, which are summarized below. With implementation of the agreed management actions, controls will be adequately designed and operating effectively to provide reasonable assurance that the objectives will be met.

All pertinent matters related to this audit were discussed with Oncor Design management. Details of the audit are on file in Internal Audit and are available for review upon request.

Consistent with professional standards and best practices, Internal Audit will follow-up to validate existence, effectiveness, and adequacy of the agreed-upon control enhancements. Subsequent modification or omission of agreed-upon control enhancements will be evaluated during the follow-up process and reported as appropriate.

SUMMARY OF AUDIT OBSERVATIONS

The audit findings and the associated management actions are summarized, by objective, in the table shown below:

Objective 1: **Property proposals and modifications were properly approved.**

Finding # 1

Oncor's performance tracking group, Quality Assurance, currently reviews Work Request (WR) jackets to assess a project's support adequacy, management success, and communication and design quality. As a new process, OTG's unique characteristics have not been assessed for developing and including distinct OTG audit criteria in Quality Assurance's work.

Management Action:

Near the OTG pilot's expected completion at year-end, the end-to-end process will be

reviewed with Quality Assurance by 11/30/08 to determine if the current WR audit criteria include OTG's needed quality requirements or if new ones should be added.

Objective 2: **Project documentation was appropriately retained.**

Finding # 2

Several WR monitoring reports were introduced in 2008 which enable Design management to track projects not acted on within a reasonably expected time frame (120 days and over 12 months). These reports go a long way to highlight a significant project delay; however, OTG's physical construction before DIS recognition makes these reports less than ideal for timely and focused OTG project management. The process relies on timely action and cooperation across several Distribution groups before a project is ready to close. Identifying and establishing the appropriate accountability for process delays would be easier to manage if the cause was pursued quickly.

Management Action: A separate WR Management report will be developed for On the Go projects by 12/30/08. This report will identify projects that are not WMIS closed within 120 days from the preliminary approval date. Introduction of this report will be included in the process training. If ongoing process reviews indicate OTG's 120 day completion period warrants a time reduction, the report will be modified and the new time frame communicated.

Finding #3:

Records employees must close projects with differences between the material depicted on DIS and what PMMS indicates was issued. This ability is required because some reported inventory material discrepancies are not errors but caused by a PMMS to WMIS interface deficiency. Records employees also close projects with material inventory discrepancies when field personnel do not respond with confirmation of the correct material usage. The overall impact of closing projects with these discrepancies is not known because each job is handled individually.

A Quality Review back-up should be appointed to ensure the review occurs daily. The review procedures used in the Quality Review should be documented in a brief desktop procedure to ensure consistent quality reviews continue when the primary reviewer is out.

Management Action:

Beginning in October, the Quality Review will include material variance comments in its documentation. This information will be maintained in a database and reported to management monthly. Records management will revise the quality review methodology to ensure that coverage is obtained on a monthly basis rather than daily.

Objective 3: **Property modifications were accurately and timely updated in FRAMME**

No findings were noted for this objective.

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Oncor Electric Delivery
Engineering On-the-Go Process
Audit Number 2008-067

Audit Report

Objective 4: **Accounting data delivered to FIM was accurate and complete.**

Finding # 4

During the NET tool's development, designers estimated OTG projects using the NET tool and in the Facilities Rulebase Application Model Management Environment (FRAMME) to ensure the NET tool estimates reliably mirrored the WMIS results. Evidence that this was done was not retained.

Management Action: A new data set of projects of various sizes & OTG WR types has been compiled to demonstrate the accuracy of the NET tool. This data set supports the NET tool reliability in replicating the project cost and CIAC calculation of the DIS (WMIS/FRAMME) applications. Copies of the new results are retained at the Project Manager's office.

Finding # 5

Designers across the Oncor system have been trained on how to use the NET tool; but, no formal feedback process was established to capture information in support of the training's effectiveness nor has end-to-end process training been finalized.

Management Action: Formal training will be provided for the On the Go process as part of the Designer Training sessions that are scheduled on a quarterly basis, beginning in March 2009 after Pilot completion at year end. Follow-up training will be developed as needed. Communication and feedback from these sessions as well as general questions from field personnel will be facilitated through the "Design Training Team" Outlook mailbox and monitored by the OTG Pilot Design team.

Finding # 6

The system test document requesting Capgemini Energy IT to put Velocity (the data upload program transmitting NET material estimates to PMMS) into production had issues that included:

- Incomplete test script document.
- Limited test scenarios.
- No control for communicating data transfer failures to PMMS from the share point.

Management Action: Testing gaps related to the PMMS interface weaknesses will be completed by 11.30.08 as part of the pilot process. A program change has been requested for the upload program that will alert the Designer when the program fails to write the material list in PMMS.

Distribution:

Mark Burt
Fred Garza
Terry Brehm

October 8, 2008

Oncor Electric Delivery
Engineering On-the-Go Process
Audit Number 2008-067

Audit Report

Joe Bilbo
Brenda Pulis
Rob Trimble
Rick Hays
Bob Carr
Drew Cameron
Jens Mielke

Legend	
G	Controls are adequately designed and operating effectively; no minor control issues identified; low risk of impact on operations or financial statements.
Y	In general, controls are adequately designed and operating effectively, however, some control issues were identified, some of which may be relatively significant; low to moderate risk of impact on operations or financial statements.
R	Controls are not adequately designed or are not operating effectively; significant control issues identified; moderate to high risk of impact on operations or financial statements.