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Public Utility Commission of Texas

TO: Donna L. Nelson, Chairman
Kenneth W. Anderson, Jr., Commissioner
Brandy Marty Marquez, Commissioner

All Parties of Record

FROM: Irene Montelongo
Director, Docket Management

RE: **Open Meeting of February 9, 2017**
Docket No. 46733 – *Agreed Notice of Violation and Settlement Agreement Relating to Oncor Electric Delivery Company's Violation of PURA § 38.005 and 16 TAC § 25.52, Concerning Reliability and Continuity of Service*

DATE: January 18, 2017

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission is currently scheduled to consider this docket at an open meeting to begin at 9:30 a.m. on Thursday, February 9, 2017, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties shall file corrections or exceptions to the Proposed Order on or before Wednesday, February 1, 2017.

If there are no corrections or exceptions, no response is necessary.

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DOCKET NO. 46733

AGREED NOTICE OF VIOLATION AND SETTLEMENT AGREEMENT RELATING TO ONCOR ELECTRIC DELIVERY COMPANY'S VIOLATION OF PURA § 38.005 AND 16 TAC § 25.52, CONCERNING RELIABILITY AND CONTINUITY OF SERVICE	§ § § § § § § §	**PUBLIC UTILITY COMMISSION OF TEXAS**

PROPOSED ORDER

This Order approves the settlement agreement and report to Commission between Commission Staff and Oncor Electric Delivery Company regarding Commission Staff's investigation of Oncor under PURA[1] § 38.005 and 16 Texas Administrative Code § 25.52 (TAC), concerning reliability and continuity of service for reporting year 2015. The agreement resolves all issues in this docket. Commission Staff recommended, and Oncor agreed to pay, an administrative penalty of $288,500. The agreement is approved.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

1. Oncor is a transmission and distribution utility as defined in PURA § 31.002(19).

2. For reporting year 2015, Oncor reported the following feeders were in violation, having a System-Average Interruption Duration Index (SAIDI) value more than 300% greater than system average for two consecutive years:
   - Twenty-one single feeders in violation of the rule for the first year;
   - Fifteen single feeders in violation of the rule for two years in a row;
   - Seven single feeders in violation of the rule for three years in a row;
   - Two single feeders in violation of the rule for four years in a row;
   - Two single feeders in violation of the rule for five years in a row; and
   - One single feeder in violation of the rule seven consecutive years.

[1] Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-58.303 (West 2016), §§ 59.001- 66.017 (West 2016 & Supp. 2016) (PURA).

3. For reporting year 2015, Oncor further reported the following feeders were in violation, having a System-Average Interruption Frequency Index (SAIFI) value more than 300% greater than system average for two consecutive years:
   - Twelve single feeders in violation of the rule for the first year,
   - Four single feeder in violation of the rule for two years in a row; and
   - One single feeder in violation of the rule three consecutive years.
4. On or about July 26, 2016, Oncor was provided proper notice of Commission Staff's investigation in this matter, the results of the investigation, information about its right to a hearing, and an opportunity to explain its activities.
5. Oncor fully cooperated with Commission Staff's investigation.
6. Oncor acknowledges the violations detailed in this Order.
7. Oncor participated in one or more settlement discussions with Commission Staff to resolve this matter.
8. On January 4, 2017, the parties entered into the agreement resolving the violations. Commission Staff recommended an administrative penalty, and Oncor agreed to pay, an administrative penalty of $288,500.
9. The agreement provides for a reasonable resolution of this dispute.

II. Conclusions of Law

1. The Commission has jurisdiction over this matter under PURA §§ 14.001, 14.002, 14.003, 14.051, 15.023, 15.024, and 38.005.
2. Oncor is a transmission and distribution utility for purposes of PURA §§ 31.002(19) and 38.005 and 16 TAC § 25.52.
3. As a transmission and distribution utility, Oncor is required to comply with the service quality and reliability standards established by PURA § 38.005 and 16 TAC § 25.52.
4. Oncor was provided proper notice of Commission Staff's investigation in this matter, the results of the investigation, information about its right to a hearing, and an opportunity to explain its activities.

5. PURA § 38.005(a) provides that "the commission shall implement service quality and reliability standards relating to the delivery of electricity to retail customers by electric utilities and transmission and distribution utilities." Subsection (a) goes on to require the Commission to, by rule, "develop reliability standards, including: (1) the system-average interruption frequency index (SAIFI); (2) the system-average interruption duration index (SAIDI); (3) achievement of average response time for customer service requests or inquiries; or (4) other standards that the commission finds reasonable and appropriate."

6. In accordance with this legislative mandate, the Commission implemented the reliability standards found in 16 TAC § 25.52. Under 16 TAC § 25.52(g)(1) each utility is required to maintain and operate its distribution system so that its system-wide SAIDI and SAIFI averages do not exceed the standard by more than 5%. Under 16 TAC § 25.52(g)(2) each utility shall maintain and operate its distribution system so that no distribution feeder with ten or more customers sustains a SAIDI or SAIFI value for a reporting year that is more than 300% greater than the system average of all feeders during any two consecutive reporting years.

7. Oncor violated PURA § 38.005 and the requirements of 16 TAC § 25.52 for reporting year 2015.

8. The agreement is a report of settlement to the Commission as required by 16 TAC § 22.246(g).

9. This docket was processed in accordance with applicable statutes and Commission rules.

10. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following Order:

1. The Agreement, provided with this Order as Attachment 1, is approved, and the parties shall be bound by its terms.

2. Oncor shall pay an administrative penalty to the Commission in the amount of $288,500. Oncor shall remit payment of the full amount of the administrative penalty on or before thirty (30) calendar days after the date this Order is signed. Payment of the administrative penalty may be made by check payable to the Public Utility Commission of Texas and shall reference this docket. If paid by check, the check shall be sent to the following address:

   Public Utility Commission of Texas
   P.O. Box 13326,
   Austin, Texas 78711
   ATTN: Fiscal Services

3. Oncor shall file an affidavit of payment in this docket no later than five calendar days after the payment is made.

4. Oncor shall continue to make efforts to improve the performance and reliability of all of its feeders. In particular, those efforts shall focus on the feeders that have violated service quality and reliability standards for three or more consecutive years referenced in Paragraph 4 of the agreement and maintaining the system-wide standards required by 16 TAC § 25.52 (g)(1)(A) and (B) and § 25.52(g)(2).

5. The Commission shall not be constrained in any manner from requiring additional action or penalties for violations that are not raised here.

6. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement. Entry of this Order shall not be regarded as a binding holding or precedent as to the appropriateness of any principle or methodology underlying the agreement.

7. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other request for general or specific relief, if not expressly granted herein, are denied.

Signed at Austin, Texas the _____ day of February 2017.

PUBLIC UTILITY COMMISSION OF TEXAS

_____

DONNA L. NELSON, CHAIRMAN

_____

KENNETH W. ANDERSON, JR., COMMISSIONER

_____

BRANDY MARTY MARQUEZ, COMMISSIONER

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DOCKET NO. 46733

AGREED NOTICE OF VIOLATION AND SETTLEMENT AGREEMENT RELATING TO ONCOR ELECTRIC DELIVERY COMPANY'S VIOLATION OF PURA § 38.005 AND 16 TAC § 25.52, CONCERNING RELIABILTY AND CONTINUITY OF SERVICE	§	PUBLIC UTILITY COMMISSION OF TEXAS

SETTLEMENT AGREEMENT AND REPORT TO COMMISSION

Staff of the Public Utility Commission of Texas (Commission) and Oncor Electric Delivery Company (Oncor) (together, Parties) enter into this Settlement Agreement and Report to Commission (Agreement). This Agreement resolves and concludes the investigation of Oncor for violations of PURA[1] § 38.005 and 16 Texas Admin. Code § 25.52 (TAC), concerning reliability and continuity of service for the reporting year 2015.

The Parties agree as follows:

1. The Parties stipulate to the facts contained in the attached Proposed Order and request approval of the Order by the Commission.
2. Commission Staff recommended an administrative penalty, and Oncor agrees to pay an administrative penalty of Two Hundred Eighty Eight Thousand Five Hundred Dollars ($288,500) for Oncor's violations described herein and in the attached Proposed Order.
3. Oncor agrees to make efforts to improve the performance and reliability of all of its feeders. In particular, efforts will include an increase of expenditures and resources that will focus on feeders which have violated service quality and reliability standards for three or more consecutive years and maintaining the system-wide standards required by 16 TAC § 25.52 (g)(1)(A) and (B).
4. Oncor asserts the following with regard to the circumstances for the underperforming circuits for three, four, five, and seven consecutive years:

Three Consecutive Years

a. BARNW – 4521

i. This is a 49 mile long feeder that currently serves 101 customers in rural

[1] Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2015) (PURA).

West Texas. The terrain is low scrub brush and desert sands with limited paved road access and 5% tree density.

ii. Oncor spent approximately $2.37 million over a four year period on reliability programs including substation construction, planned and reactive maintenance projects on the feeder, and planned vegetation management projects on the feeder right-of-way.

iii. The major obstacles to maintaining reliability on this feeder are the remote location, distance from the nearest service center, limited paved road access, and the exposure of Oncor's overhead facilities to constant lightning strikes during local storms. This feeder also crosses the Pecos River in several locations and there are a limited number of bridges over the river in this area, which can cause delays in outage restoration. Weather caused outages were a major reason that this was a repeat feeder in 2015.

iv. A system improvement project to install a new recloser equipped with SCADA and another recloser to replace an existing line fuse position was started in 2015 and completed in January 2016. Another system improvement project was completed in May 2016 that replaced 27 older poles, crossarms, and primary conductor. A total of 51 new poles that were taller and stronger with all new insulators and crossarms were installed. Also, over 8,000 feet of new three-phase 4/0 primary conductor was installed in place of the existing old and smaller wire. Shielded wire construction and enhanced grounding methods were implemented to improve lightning protection on this new section of the feeder. The total 2016 YTD expense for both of these projects is about $230,000. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

b. DHIDE – 2821

i. This is a 64 mile long feeder that currently serves 115 customers in rural West Texas. The terrain is low scrub brush and desert sands with limited paved road access and 10% tree density.

ii. Oncor spent approximately $310,000 over a four year period on reliability programs including planned and reactive maintenance projects on the feeder, and planned vegetation management projects on the feeder right-of-way.

iii. The major obstacles to maintaining reliability on this feeder are the remote location, limited paved road access, and the exposure of Oncor's overhead facilities to constant lightning strikes during local storms. Weather caused outages, particularly lightning-caused events, were a major reason that this was a repeat feeder in 2015.

iv. A project was completed in May 2016 that replaced 20 poles and 146 crossarms that were damaged by ice storms in 2015. Also two new capacitor banks were installed in 2016 to provide better voltage support to the customers on the feeder. The total 2016 YTD expense for these projects is about $140,000. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

c. ELMAR – 3211

i. This is a 37 mile long feeder that currently serves 130 customers in rural West Texas. The terrain is low scrub brush and desert sands with limited paved road access and 10% tree density.

ii. Oncor spent approximately $2.37 million over a four year period on reliability programs including planned maintenance and improvement projects at the substation, planned and reactive maintenance projects on the feeder, and planned vegetation management projects on the feeder right-of-way.

iii. The major obstacles to maintaining reliability on this feeder are the remote location, distance from the nearest service center, limited paved road access, and the exposure of our overhead facilities to constant lightning strikes during local storms. Damage to poles and wires during local storms were a major reason that this was a repeat feeder in 2015.

iv. A system improvement project is in progress in 2016 to build a new section of the feeder to relieve the older overloaded conductor and to

construct along a paved county road so that the facilities will be more accessible during outage events. Over 80 new poles that are taller and stronger and all new insulators and crossarms are being installed. Also, over 20,000 feet of new three-phase 795 AAC primary conductor and three new air-break switches to improve sectionalizing are being installed. Enhanced grounding methods are being implemented to improve lightning protection on this new section of the feeder. In addition, a system improvement project in 2016 will install a new recloser on a section of the feeder due to increased customer loading. Finally, another system improvement project is now in progress in 2016 to install over 60 new poles, over 7,500 feet of new three-phase 795 AAC conductor, and a new recloser equipped with SCADA. The total 2016 YTD expense for these projects is about $900,000. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

d. ELMAR – 3212

i. This is a 14 mile long feeder that currently serves 81 customers in rural West Texas. The terrain is low scrub brush and desert sands with limited paved road access and 10% tree density.

ii. Oncor spent approximately $4.88 million over a four year period on reliability programs including planned maintenance and improvement projects at the substation, planned and reactive maintenance projects on the feeder, and planned vegetation management projects on the feeder right-of-way.

iii. The major obstacles to maintaining reliability on this feeder are the remote location, distance from the nearest service center, limited paved road access, and the exposure of our overhead facilities to constant lightning strikes during local storms. Weather caused outages were a major reason that this was a repeat feeder in 2015.

iv. In 2016, a three-phase fuse position on a section of the feeder was replaced with a recloser to improve fault protection and sectionalizing during outage events in that area. The total 2016 YTD expense for this

project is about $10,000. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

e. FKLCY – 5111

i. This is a 33 mile long feeder that currently serves 75 almost exclusively oil and gas field-related customers in rural West Texas. The terrain is low scrub brush and desert sands with limited paved road access and 5% tree density.

ii. Oncor spent approximately $3.56 million over a four year period on reliability programs including planned maintenance and improvement projects at the substation, planned and reactive maintenance projects on the feeder, and planned and reactive vegetation management projects on the feeder right-of-way.

iii. The major obstacles to maintaining reliability on this feeder are the remote location, limited paved road access, and the exposure of our overhead facilities to constant lightning strikes during local storms. Weather caused outages were a major reason that this was a repeat feeder in 2015.

iv. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

f. MASON – 3421

i. This is a 47 mile long feeder that currently serves 45 customers in rural West Texas. The terrain is low scrub brush and desert sands with limited paved road access and 5% tree density.

ii. Oncor spent approximately $3.16 million over a four year period on reliability programs including planned maintenance and improvement projects at the substation, planned and reactive maintenance projects on the feeder, and planned vegetation management projects on the feeder right-of-way.

iii. The major obstacles to maintaining reliability on this feeder are the remote location, limited paved road access, and the exposure of our overhead facilities to constant lightning strikes during local storms.

iv. A system improvement project completed in 2016 built a new section of the feeder to relieve the older overloaded conductor and was constructed along the paved road FM 652 so that the facilities will be more accessible during outage events. Over 100 new poles that are taller and stronger and all new insulators and crossarms were installed. Over 15,000 feet of new three-phase 795 AAC primary conductor was installed and three new regulators and a new capacitor bank to improve voltage support were installed. Another system improvement project in 2016 installed a new vacuum recloser equipped with SCADA on a section of the feeder to improve fault protection and sectionalizing. Finally, another system improvement project in 2016 installed around 60 new poles and over 12,000 feet of new three-phase 4/0 ACSR primary conductor on another section of the feeder. The total 2016 YTD expense for these projects is about $900,000. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

g. RYLTY – 1411

i. This is a 91 mile long feeder that currently serves 128 almost exclusively oil and gas field-related customers in rural West Texas. The terrain is low scrub brush and desert sands with limited paved road access and 25% tree density.

ii. Oncor spent approximately $330,000 over a four year period on reliability programs including planned maintenance and improvement projects at the substation, planned and reactive maintenance projects on the feeder, and planned vegetation management projects on the feeder right-of-way.

iii. The major obstacles to maintaining reliability on this feeder are the remote location, limited paved road access, and the exposure of our overhead facilities to constant lightning strikes during local storms. Weather caused outages were a major reason that this was a repeat feeder in 2015.

iv. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

Four Consecutive Years

h. PLDAV – 4231

i. This is a 26 mile long feeder that currently serves 71 exclusively oil and gas field customers in rural West Texas. The terrain is low scrub brush and desert sands with limited paved road access and 25% tree density.

ii. Oncor spent approximately $710,000 over a four year period on reliability programs including planned maintenance and improvement projects at the substation, planned and reactive maintenance on the feeder, and planned vegetation management projects.

iii. The major obstacles to maintaining reliability on this feeder is the remote location, limited paved road access, and the exposure of our overhead facilities to constant lightning strikes during local storms. Weather caused outages were a major reason that this was a repeat feeder in 2015.

iv. In 2016, construction was started on a new substation (ALKLK) to replace the existing PLDAV substation. The two new substation transformers and four new feeder breakers had been purchased in previous years in order to upgrade the PLDAV substation. However, the project was delayed due to difficulty in acquiring land to expand the existing substation. As a result, new property in the vicinity was acquired and a brand new substation was planned and designed. The existing substation with a single 22.4 MVA substation transformer and three feeder breakers is being replaced with a new substation with two 28 MVA transformers and four feeder breakers. Each transformer will feed two new feeder breakers. Oncor's new substation relay controls with high-side transformer fault interrupting devices will be installed at the new substation. In addition, the feeder exits will be installed underground rather than overhead. While the new substation is under construction the existing substation will remain in service. The plan is to have the new substation in service by year end 2016 barring any unforeseen issues. The total 2016 YTD expense for this project is about $3.60 million. The total projected spend for this project is over $5.0 million.

i. BAYLC – 1201

i. This is a 15 mile long feeder that currently serves 111 customers in rural East Texas. The terrain has 90% tree density.

ii. Oncor spent approximately $500,000 in a four year period on reliability programs including planned maintenance and improvement projects at the non-Oncor owned substation, planned and reactive maintenance projects on the feeder, and planned vegetation management projects on and off the feeder right-of-way.

iii. The major obstacle to maintaining reliability on this feeder is the difficulty in managing the dense and very tall (greater than 100 feet) tree vegetation, much of which is outside the right-of-way. This feeder is served from a Deep East Texas Electric Cooperative substation (DETEC), and there are no ties to other Oncor feeders for backstand capability, resulting in many outages tending to be of a longer duration. Cellular communication in the area is limited and can delay outage restoration efforts. A major outage event in 2015 during a local storm involved damage to poles owned by DETEC that Oncor contacts outside the substation. Oncor only had minor damage to a crossarm and two spans of wire, but had to wait and closely coordinate with DETEC to insure safety for personnel. This resulted in a long duration outage before the Oncor customers could be placed back in service.

iv. In 2016, a system improvement project was started and completed that installed a 5,800 foot single-phase section of the feeder underground to minimize tree caused outages. An additional project to replace deteriorated facilities on the feeder was also completed in 2016. The total 2016 YTD expense for these projects was about $200,000. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

Five Consecutive Years

j. HOWRD - 3921

i. This is a 34 mile long feeder that currently serves 72 mainly oil and gas field customers in rural West Texas. The terrain is low scrub brush and desert sands and there is limited paved road access with 75% tree (mesquite and desert scrub brush) density.

ii. Oncor has spent approximately $70,000 over a four year period on reliability programs including planned maintenance and improvement projects at the substation, patrolling and reactive maintenance projects on the feeder, and planned vegetation management projects on the feeder right-of-way.

iii. The major obstacle to maintaining reliability on this feeder is the vast remoteness of west Texas and exposure of the power lines to weather related events (typically lightning). This feeder is located over 33 miles from the nearest Oncor Service Center. Due to limited road access, even on a clear weather day the drive time to this location is nearly one hour. Lightning continues to be an annual and frequent event since power lines are often the tallest object in the vast areas of west Texas. The major outage event in 2015 was due to a transmission pole fire that took the only transmission line feeding this substation out of service for over eight hours and accounted for seventy-five percent of the outage minutes.

iv. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

k. MASON – 3411

i. This is a 28 mile long feeder that currently serves 18 mainly commercial/industrial oil field customers in rural West Texas. The terrain is low scrub brush and desert sands with limited paved road access and 5% tree density.

ii. Oncor spent approximately $2.50 million over a four year period on reliability programs including planned maintenance and improvement projects at the substation, planned and reactive maintenance projects on the feeder, and planned vegetation management projects on the feeder right-of-way.

iii. The major obstacle to maintaining reliability on this feeder is the vast remoteness of west Texas and exposure of the power lines to weather related events (typically lightning). This feeder is located over 76 miles from the nearest Oncor Service Center. On a clear weather day the drive time is approximately 1.2 hours. Lightning continues to be an annual and frequent event since power lines are often the tallest object in the vast areas of west Texas.

iv. A system improvement project was completed in early 2016 that replaced an 1,800 foot section of older small wire with new three-phase 795 AAC primary conductor. Also, taller and stronger poles and all new insulators and crossarms were installed. In addition, three new capacitor banks were installed to provide voltage support in that section of the feeder. Another system improvement project was completed in 2016 that installed over 22,000 feet of new three-phase 795 AAC primary conductor on over 80 new poles on another section of the feeder. A new vacuum recloser with SCADA was installed to improve the fault protection and sectionalizing on this section of the feeder during outage events. Finally, a set of regulators was also upgraded and a new capacitor bank was installed to improve voltage support. The total 2016 YTD expense for these projects was over $1.0 million. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

Seven Consecutive Years

h. LOVNG – 2511

i. This is a 51 mile long feeder that currently serves 49 primarily oil and gas field customers in rural West Texas. The terrain is low scrub brush and desert sands with limited paved road access and 5% tree density.

ii. Oncor spent approximately $7.12 million over a four year period on reliability programs including planned maintenance and improvement projects at the substation, planned and reactive maintenance projects on

the feeder, and planned vegetation management projects on the feeder right-of-way.

iii. The major obstacle to maintaining reliability on this feeder is the vast remoteness of west Texas and weather related events. This feeder is located 40 miles from the nearest Oncor Service Center. On a clear weather day the drive time is approximately 40 minutes. Lightning continues to be an annual and frequent event since power lines are often the tallest object in the vast areas of west Texas. This feeder also crosses the Pecos River and there are a limited number of bridges over the river in this area, which can cause delays in outage restoration. In 2015, an intense NOAA recorded wind storm took down 21 poles and another high wind event took down multiple spans of wire on both sides of the Pecos River. These two events accounted for eighty percent of the outage minutes in 2015.

iv. In early 2016, a system improvement project was completed that removed over 70 older poles and small and old primary wire and replaced them with over 120 taller and stronger poles and over 25,000 feet of new three-phase 795 AAC primary conductor. Enhanced grounding methods which included shielded construction were implemented to improve lightning protection on this new section of the feeder. In addition, three new capacitor banks were installed to provide voltage support in that section of the feeder. Another system improvement project was completed in 2016 to upgrade a section of the feeder due to low voltage and other operational issues resulting from added customer load in the area. This project removed about 50 older deteriorated poles and installed about 80 new taller and stronger poles with all new crossarms and insulators. In addition, a set of regulators were upgraded, a new recloser was installed, and a new auto transformer was installed to convert the area from 12kV to 22kV. The total 2016 YTD expense for these projects was over $1.30 million. Oncor will continue to monitor the performance of this feeder and to evaluate projects to improve reliability.

5. Oncor agrees to continue to make efforts to improve the performance and reliability of all of its feeders. This Agreement resolves all claims related to Oncor's obligations pursuant to PURA § 38.005 and 16 TAC § 25.52 concerning reliability and continuity of service for reporting year 2015.

6. Unless specifically provided for in this Agreement, Oncor waives any notice and procedures that might otherwise be authorized or required in this proceeding.

7. Nothing in this Agreement shall limit the Commission Staff's ability to perform its enforcement functions as set forth in PURA and the Commission's rules.

8. A Party's support of the resolution of this docket in accordance with this Agreement may differ from its position or testimony regarding contested issues of law, policy, or fact in other proceedings before the Commission or other forums. Because this is a settlement agreement, a Party is under no obligation to take the same position as set out in this Agreement in other proceedings not referenced in this Agreement whether those dockets present the same or a different set of circumstances. The Parties' agreement to entry of a final order by the Commission consistent with this Agreement should not be regarded as an agreement as to the appropriateness or correctness of any assumptions, methodology, or legal or regulatory principle that may have been employed in reaching this Agreement.

9. The Parties contemplate that this Agreement will be approved pursuant to 16 TAC § 22.246(g)(1)(C). In the event the Commission materially changes the terms of this Agreement, the Parties agree that any Party adversely affected by that material alteration has the right to withdraw from this Agreement, thereby becoming released from its obligations arising hereunder, and to proceed as otherwise permitted by law to exercise all rights available under law. The right to withdraw must be exercised by providing the other Party written notice within 20 calendar days of the date the Commission files the final order in this matter. Failure to provide such notice within the specified time period shall constitute a waiver of the right to withdraw and acceptance of the material changes to this Agreement made by the Commission.

10. This Agreement is the final and entire agreement between the Parties regarding the alleged violations related to reliability and continuity of service for the year 2015 and supersedes all other communications among the Parties or their representatives regarding its terms.

11. Each person executing this Agreement represents that he has been authorized to sign on behalf of the Party represented. Copies of signatures are valid to show execution. If this Agreement is executed in multiple counterparts, each is deemed an original but all of which constitute the same Agreement.

12. Oncor warrants that it has read this Agreement carefully, knows the contents thereof, and signs the same as its free act.

EXECUTED by the Parties by their authorized representatives designated below.

Howard V. Fisher — Date: 1-4-17

Howard V. Fisher
Senior Counsel – Regulatory
Oncor Electric Delivery Company LLC
1616 Woodall Rodgers Freeway
Suite 6065
Dallas, Texas 75202

Robert M. Long — Date: 1/6/17

Robert M. Long
Division Director
Oversight and Enforcement Division
Public Utility Commission of Texas