



Control Number: 47235



Item Number: 50

Addendum StartPage: 0

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PUBLIC UTILITY COMMISSION  
FILING CLERK

September 15, 2017

Stephen D. Journeay  
Commission Advising and Docket Management  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
Austin, TX 78701

Re: Joint Response and Request for Admission of Energy Efficiency Cost Recovery Factor  
Information Requested Relating to Docket Nos. 47235, 47248, and 47469<sup>1</sup>

Dear Stephen:

Thank you for your September 6, 2017 letter filed in Docket Nos. 47235 and 47248. In response, please consider this letter and the attached affidavit on behalf of Oncor Electric Delivery Company LLC, Sharyland Utilities, L.P., and Sharyland Distribution & Transmission Services, L.L.C. (collectively, "Joint Applicants").

Joint Applicants respectfully request that the attached affidavit be admitted into the record evidence in Docket No. 47469 and, if necessary, in Docket Nos. 47235 and 47248. Joint Applicants also note that the proposed order or orders, as applicable, would require correction to reflect admission into the record.

As of the filing of this letter, the following parties to the above-referenced proceedings have authorized the undersigned to represent that they do not oppose this joint response and request for admission: Staff of the Public Utility Commission of Texas, Office of Public Utility Counsel, the Steering Committee of Cities Served by Oncor, TXU Energy Retail Company LLC, Texas Cotton Ginners' Association, Targa Pipeline Mid-Continent WestTex, LLC, and St. Lawrence Cotton Growers' Association.

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<sup>1</sup> *Application of Oncor Electric Delivery Company LLC to Adjust its Energy Efficiency Cost Recovery Factor*, Docket No. 47235, SOAH Docket No. 473-17-4435 (pending); *Application of Sharyland Utilities, L.P. to Adjust its Energy Efficiency Cost Recovery Factor and for Related Relief*, Docket No. 47248, SOAH Docket No. 473-17-4437 (pending); *Joint Report and Application of Sharyland Utilities, L.P., Sharyland Distribution & Transmission Services, L.L.C., and Oncor Electric Delivery Company LLC for Transfer of Facilities, Transfer of Rights Under and Amendment of Certificates of Convenience and Necessity, and for Other Approvals*, Docket No. 47469 (pending).

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Respectfully submitted,

*Tab Urbantke w/p RAM*

Tab R. Urbantke  
Counsel for Oncor Electric Delivery Company LLC

Enclosure

cc: All parties of record to Docket Nos. 47235, 47248, and 47469  
Ritchie J. Sturgeon, Counsel for Oncor Electric Delivery Company LLC

THE STATE OF TEXAS     §  
  §  
COUNTY OF DALLAS     §

**AFFIDAVIT OF J. MICHAEL SHERBURNE**

BEFORE ME, the undersigned authority, on this day personally appeared J. Michael Sherburne, and being by me first duly sworn, deposed and stated under oath the following:

1. “My name is J. Michael Sherburne. I am above the age of eighteen (18) years old and am fully competent to testify to the matters stated in this affidavit. I have personal knowledge of the facts and statements set forth herein and each one of them is true and correct to the best of my information, knowledge and belief.
2. I am employed by Oncor Electric Delivery Company LLC (“Oncor”). I hold the position of Senior Director - Rates & Financial Analysis for Oncor. My business address is 1616 Woodall Rodgers Freeway, Dallas, Texas 75202.
3. I am familiar with the proposed transaction in Docket No. 47469 (the “Sharyland Transaction”).<sup>1</sup> Additionally, I submitted pre-filed direct testimony in support of Oncor’s pending energy efficiency cost recovery factor (“EECRF”) application in Docket No. 47235,<sup>2</sup> and I am familiar with Sharyland Utilities, L.P.’s (“Sharyland”) pending EECRF application in Docket No. 47248.<sup>3</sup>
4. Returning Over-Recovered 2016 Energy Efficiency Costs:
  - a. As Oncor witness Mr. R. Keith Pruett explains in his direct testimony in Docket No. 47469, when the Sharyland Transaction closes, Oncor will “acquire from Sharyland its EECRF regulatory asset or liability for book value” and combine it with the EECRF regulatory asset or liability on Oncor’s books.<sup>4</sup> Consistent with the unopposed stipulation in that docket, Oncor is seeking “approval to recover or refund the balance in the Sharyland EECRF regulatory asset or liability[, respectively,] and include this amount as part of Oncor’s EECRF rate.”<sup>5</sup> After the Sharyland

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<sup>1</sup> *Joint Report and Application of Sharyland Utilities, L.P., Sharyland Distribution & Transmission Services, L.L.C., and Oncor Electric Delivery Company LLC for Transfer of Facilities, Transfer of Rights Under and Amendment of Certificates of Convenience and Necessity, and for Other Approvals*, Docket No. 47469 (pending).

<sup>2</sup> *Application of Oncor Electric Delivery Company LLC to Adjust its Energy Efficiency Cost Recovery Factor*, Docket No. 47235 (pending).

<sup>3</sup> *Application of Sharyland Utilities, L.P. to Adjust its Energy Efficiency Cost Recovery Factor and for Related Relief*, Docket No. 47248 (pending).

<sup>4</sup> Docket No. 47469, Direct Testimony of R. Keith Pruett at 10:14-16.

<sup>5</sup> *Id.* at 10:27-29; *see id.*, Proposed Order at 10, Finding of Fact No. 34(k) (Sept. 7, 2017).

Transaction closes, Sharyland's retail electric delivery customers will become Oncor's retail electric delivery customers and pay Oncor's rates, including Oncor's EECRF rate.<sup>6</sup> The Sharyland Transaction will not delay the refund of either Oncor or Sharyland's over-recovered 2016 energy efficiency costs.

- b. If approved, Oncor's 2018 EECRF will be effective March 1, 2018,<sup>7</sup> and include the refund of \$6,097,744 for Oncor's over-recovered 2016 energy efficiency costs. By then it is expected that the Sharyland Transaction will have been approved, closed, and Sharyland's retail electric delivery customers will be Oncor's customers. Oncor's EECRF factors will be applied to the former Sharyland customers, resulting in a refund of more than \$6,097,744 as Oncor's EECRF was calculated using Oncor-only billing units.
- c. Approval and closing of the Sharyland Transaction will result in the credit of \$243,199 for Sharyland's over-recovered 2016 energy efficiency costs being refunded to the appropriate Oncor rate classes, including former Sharyland customers, in accordance with 16 Tex. Admin. Code § 25.181 (TAC), effective March 1, 2018. Thus, the total amount of the refund through Oncor's 2018 EECRF will be \$6,340,943.

5. Reconciliation of 2017 Program Costs:

- a. Consistent with 16 TAC § 25.181, Oncor will file by April 1, 2018, a single energy efficiency plan and report covering Sharyland and Oncor, followed by a single EECRF application by June 1, 2018. In Oncor's EECRF application, it will show adjustments for past over- or under-recovery of energy efficiency revenues as required by 16 TAC § 25.181(f)(10)(D). For clarity, Oncor will show the over- and under-recoveries separately for the two utilities but combine them as part of the reconciliation and calculation of a single Oncor EECRF rate, *i.e.*, its 2019 EECRF. If approved, that rate would be effective March 1, 2019.
- b. Oncor is receiving the necessary historical program data from Sharyland in connection with the closing of the Sharyland Transaction. Such data will include 2017 revenues and expenses by program and rate class. This will enable Oncor to reconcile Sharyland's 2017 program costs as required by 16 TAC § 25.181(f)(10)(D) in the same manner that Oncor will reconcile its 2017 program costs."

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<sup>6</sup> Docket No. 47469, Direct Testimony of R. Keith Pruett at 10:30 – 11:2; *see also* Docket No. 47248, Proposed Order at 8, Finding of Fact No. 45 (Sept. 7, 2017).

<sup>7</sup> Docket No. 47235, Proposed Order at 6-7, Ordering Paragraph Nos. 2 and 6 (Sept. 7, 2017); *see also* 16 Tex. Admin. Code § 25.181(f)(8) (TAC).

Further Affiant saith not.

J. Michael Sherburne

J. Michael Sherburne,

On behalf of Oncor Electric Delivery Company  
LLC

Sworn to and subscribed this 15<sup>th</sup> day of September, 2017.

Stephanie L. Tenorio

Notary Public, State of Texas

My Commission Expires:

7-7-2020

