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APPLICATION OF ONCOR
ELECTRIC DELIVERY COMPANY
LLC FOR AUTHORITY TO
DECREASE RATES BASED ON THE
TAX CUTS AND JOBS
ACT OF 2017

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BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

PUBLIC UTILITY COMMISSION
CLERK

STIPULATION AND SETTLEMENT AGREEMENT

Oncor Electric Delivery Company LLC ("Oncor") and the parties to this proceeding enter this Stipulation and Settlement Agreement ("Stipulation") concerning Oncor's Application and Statement of Intent for Authority to Decrease Rates Based on the Tax Cuts and Jobs Act of 2017 ("Application"). The following parties joined in this comprehensive and unopposed Stipulation regarding all issues in this proceeding: Oncor, Staff of the Public Utility Commission of Texas ("Commission Staff"); Office of Public Utility Counsel; Steering Committee of Cities Served by Oncor ("Cities"); Alliance of Oncor Cities ("AOC"); City of Mission; Alliance for Retail Markets; and Texas Energy Association for Marketers (unless otherwise noted, referred to individually as a "Signatory" or collectively as "Signatories"). Texas Industrial Energy Consumers, Nucor Steel – Texas, and East Texas Electric Cooperative, Inc. do not oppose this Stipulation or the Commission entering a final order consistent with this Stipulation.

I.

By this Stipulation, the Signatories, through their undersigned representatives, hereby enter into this Stipulation on the following terms:

- A. Oncor's annual revenue requirement reduction based on the impacts of the Tax Cuts and Jobs Act of 2017 ("TCJA") shall be \$75,042,855 for excess accumulated deferred federal income taxes ("excess ADFIT") and \$143,789,502 for annual federal income tax ("FIT") expense, for a total annual revenue requirement reduction of \$218,832,357.
- B. Oncor's unprotected excess ADFIT based on the impacts of the TCJA shall be returned to ratepayers over a 10-year amortization period. Signatories reserve the right to seek modification of the amortization period in Oncor's next base-rate case.

- C. The rates in Exhibit A to this Stipulation were calculated using Oncor's weighted average cost of capital of 7.44% as adopted in Finding of Fact No. 32 of the final order in Docket No. 46957.¹
- D. A carrying charge of 3.25% shall be applied to the amount of FIT expense collected by Oncor, in excess of the amount that would have been collected based upon the impacts of the TCJA, for the period January 1, 2018, through the effective dates of the rates shown on Exhibit A to this Stipulation. Oncor shall return this amount of FIT expense, including carrying charges, through a one-time credit applied during the December 2018 billing month beginning on November 26, 2018.
- E. Oncor's amortization of its protected excess ADFIT based on the impacts of the TCJA for the period January 1, 2018 through September 26, 2018, for retail and wholesale distribution rates and through June 30, 2018, for wholesale network transmission rates, shall be returned to ratepayers over a five-year amortization period. All excess ADFIT balances will be tracked and reconciled in Oncor's next base-rate case.
- F. The projection of Oncor's protected excess ADFIT amortization shall be based on the average rate assumption method for the period July 1, 2018 through June 30, 2019, and will be reconciled in Oncor's next base-rate case.
- G. Signatories may challenge Oncor's treatment of its ADFIT related to other post-employment benefit or "OPEB" plan liabilities in Oncor's next base-rate case.
- H. The exclusion of the six neighborhood reliability lithium-ion batteries from the prudence finding in Finding of Fact No. 36 of the final order in Docket No. 46957² is not affected by the approval of Oncor's rates in this proceeding. Consistent with that finding of fact, Oncor may seek and other parties may challenge, a prudence finding related to these batteries in a future proceeding.
- I. The baseline values for Oncor's future interim rate filings, including its next distribution cost recovery factor update and next interim transmission cost of service update, shall be those that result from the final order in this proceeding. In future proceedings, the portion of Oncor's plant-related ADFIT that has become an excess ADFIT regulatory liability based on the impacts of the TCJA shall be treated as ADFIT, and shall be

¹ *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 46957, Order at 7 (Oct. 13, 2017).

² *Id.*

updated where ADFIT is required or allowed to be updated. Oncor shall separately record, and present in applicable future proceedings, its excess ADFIT regulatory liabilities based on the TCJA as between protected and unprotected categories.

- J. Oncor shall reimburse the City of Mission and the participating municipalities of the Cities and AOC intervenor groups for their rate case expenses incurred in connection with this proceeding within 30 days of the date of a signed final order in this proceeding.
- K. Oncor will be authorized to establish a regulatory asset for the rate-case expenses that it incurs and that are incurred by and reimbursed to the municipalities referenced in Section I., Subsection J. above, and Oncor will be allowed to request recovery of such regulatory asset in a future rate proceeding or other proceeding to collect such regulatory asset through a separate surcharge. Rate-case expenses for this proceeding are subject to a final determination by the Commission of reasonableness and necessity.
- L. The interim rates shown on Exhibit A to this Stipulation are intended to be effective on and after October 8, 2018, for all retail delivery service and wholesale distribution service and on and after July 1, 2018, for wholesale network transmission service.³ Oncor shall provide a market notice to retail electric providers (“REPs”) of the proposed interim rates shown on Exhibit A upon the filing of the Agreed Motion for Interim Rates and shall provide a subsequent market notice to REPs of the approved interim rates upon their approval.

II.

The Signatories agree that the terms of this Stipulation are fair, reasonable, and in the public interest. The Signatories further stipulate to the facts contained in the proposed order attached hereto and agree to support entry of an order consistent with that proposed order.

III.

This Stipulation has been drafted by all Signatories and is the result of compromise and settlement. The Signatories agree that the terms and conditions herein are interdependent. The various provisions of this Stipulation are not severable. None of the provisions of this Stipulation

³ Docket No. 48325, Order No. 7 (May 23, 2018).

shall become fully operative unless the Commission shall have entered a final order approving this Stipulation consistent with the proposed order attached hereto as Attachment 1. If the Commission does not accept this Stipulation as presented, or issues an order inconsistent with the terms of this Stipulation or the proposed order, the Signatories agree that any Signatory adversely affected by that alteration has the right to withdraw from this Stipulation, thereby becoming released from its obligations arising hereunder, and to proceed as otherwise permitted by law to exercise all rights available under the law.

IV.

This Stipulation is binding on each of the Signatories only for the purpose of settling the issues as set forth herein and for no other purposes. Except to the extent that this Stipulation expressly governs a Signatory's rights and obligations for future periods, this Stipulation shall not be binding or precedential on a Signatory outside of this proceeding except for a proceeding to enforce the terms of this Stipulation. The Signatories agree that a Signatory's support of the resolution of this proceeding in accordance with this Stipulation may differ from its position or testimony regarding contested issues of law, policy, or fact in other proceedings before the Commission or other forum. Because this is a Stipulation, a Signatory is under no obligation to take the same position as set out in this Stipulation in other proceedings not referenced in this Stipulation whether those dockets present the same or a different set of circumstances. Notwithstanding any other provision herein, a Signatory's agreement to entry of a final order of the Commission consistent with this Stipulation should not be regarded as an agreement to the appropriateness or correctness of any assumptions, methodology, or legal or regulatory principle that may have been employed in reaching this Stipulation.

V.

This Stipulation contains the entire agreement among the Signatories. Moreover, this Stipulation supersedes all other written and oral exchanges or negotiations among the Signatories or their representatives with regard to the subjects contained herein. The Signatories hereby waive the right to an evidentiary hearing in this proceeding and waive cross-examination of all witnesses.

VI.

Each person executing this Stipulation represents that he or she is authorized to sign this Stipulation on behalf of the party represented. Facsimile or emailed copies of signatures are valid for purposes of evidencing this Stipulation, which may be executed in multiple counterparts.

AGREED:

ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: 24 Feb R. Zubanthe

STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

BY: Katherine Gross *up permission*
fill

OFFICE OF PUBLIC UTILITY COUNSEL

BY: Jamie Barker *y permission*
JRB

STEERING COMMITTEE OF CITIES SERVED BY ONCOR

BY: Chris Brewster *upm'ss-dm*
YRU

ALLIANCE OF ONCOR CITIES

BY: Brennan Foley *supervisor*
PH

CITY OF MISSION

BY: Alton Hall w/ permission
All

ALLIANCE FOR RETAIL MARKETS

BY: Steve Davet *by permission*
up
fill

TEXAS ENERGY ASSOCIATION FOR MARKETERS

BY: Cathy Weptky *upoverin,*
EP
PHU

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

Effective Date: October 8, 2018

Sheet: 1.1

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Chapter 6: Company Specific Items**6.1 Rate Schedules****6.1.1 Delivery System Charges****6.1.1.1 Charges for Transmission and
Distribution System Service****6.1.1.1.1 Residential Service****AVAILABILITY**

This schedule is applicable to Delivery Service for residential purposes (which may include a small amount of non-residential usage incidental to residential usage) of a permanent nature to Individual Private Dwellings (including their appurtenant structures) and to individually metered apartments when such Delivery Service is to one Point of Delivery and measured through one Meter and is not for shared or resale purposes. Residential Service is limited to one Individual Private Dwelling per platted parcel of land or postal delivery address.

If a premise is primarily used for non-residential purposes, Delivery Service will be provided under the Company's appropriate Secondary Service or Primary Service rate schedule.

This schedule is not available for non-residential service, including but not limited to water wells, electric gates, barns, garages, boat docks, airplane hangars, or recreational vehicle parks, or for structures on the platted parcel of land requiring a separate Meter.

TYPE OF SERVICE

Delivery Service will be single-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard watt-hour meter provided for this type of Delivery Service. Any other metering option(s) will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to section 6.1.2.2 of this Tariff.

MONTHLY RATE**I. Transmission and Distribution Charges:**

| | | |
|----------------------------|------------|---------------------|
| Customer Charge | \$0.90 | per Retail Customer |
| Metering Charge | \$2.52 | per Retail Customer |
| Transmission System Charge | \$0.00 | per kWh |
| Distribution System Charge | \$0.019841 | per kWh |

II. Nuclear Decommissioning Charge: See Rider NDC per kWh

III. Transmission Cost Recovery Factor: See Rider TCRF

IV. Energy Efficiency Cost Recovery Factor: See Rider EECRF

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

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Other Charges or Credits

| | | |
|---|----------------|---------|
| V. Rate Case Expense Surcharge: | See Rider RCE | per kWh |
| VI. Remand Surcharge: | See Rider RS | per kWh |
| VII. Capital Structure Refund: | See Rider CSR | per kWh |
| VIII. Distribution Cost Recovery Factor: | See Rider DCRF | per kWh |
| IX. Tax Refund Factor: | See Rider TRF | per kWh |

COMPANY SPECIFIC APPLICATIONS

Delivery Service is also available at three-phase 60 hertz, at a standard secondary voltage.

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

Effective Date: October 8, 2018

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6.1.1.1.2 Secondary Service Less Than or Equal to 10 kW

AVAILABILITY

This schedule is applicable to Delivery Service for non-residential purposes at secondary voltage with demand less than or equal to 10 kW when such Delivery Service is to one Point of Delivery and measured through one Meter and is not for shared or resale purposes.

TYPE OF SERVICE

Delivery Service will be single-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard watt-hour meter provided for this type of Delivery Service, unless Retail Customer is eligible for and chooses a competitive meter provider. Any meter other than the standard meter provided by Company will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2 of this Tariff.

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|------------|---------------------|
| Customer Charge | \$2.05 | per Retail Customer |
| Metering Charge | \$6.07 | per Retail Customer |
| Transmission System Charge | \$0.00 | per kWh |
| Distribution System Charge | \$0.021482 | per kWh |

II. Nuclear Decommissioning Charge: See Rider NDC per kWh

III. Transmission Cost Recovery Factor: See Rider TCRF

IV. Energy Efficiency Cost Recovery Factor: See Rider EECRF

V. Competitive Meter Credit: See Rider CMC

Other Charges or Credits

VI. Rate Case Expense Surcharge: See Rider RCE per kWh

VII. Remand Surcharge: See Rider RS per kWh

VIII. Capital Structure Refund: See Rider CSR per kWh

IX. Distribution Cost Recovery Factor: See Rider DCRF per kWh

X. Tax Refund Factor: See Rider TRF per kWh

COMPANY SPECIFIC APPLICATIONS

Delivery Service is also available at three-phase 60 hertz, at a standard secondary voltage.

Premises with a standard watt-hour meter that use 3,500 kWh or more in a month will have a demand meter installed to determine continued eligibility under this schedule. If the usage at a premise with an advanced meter reaches or exceeds 3,500 kWh in a month, any recorded demand of greater than 10 kW in subsequent months will result in the premise being assigned to the Secondary Greater than 10 kW rate schedule.

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

Effective Date: October 8, 2018

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UNMETERED SERVICE

Company will provide unmetered service and calculate billing determinants for such service based on a 100 percent load factor. These billing determinants are applied to all charges included in this rate schedule.

Delivery Service to telecommunications devices and governmental non-lighting related loads whose maximum power requirements do not exceed 80 watts will be billed at the Monthly Rate specified above, subject to the following conditions:

1. The monthly energy consumption for devices with a maximum load of 20 watts or less will be set at 10 kWh per device.
2. The monthly energy consumption for devices with a maximum load of 21 to 40 watts will be set at 20 kWh per device.
3. The monthly energy consumption for devices with a maximum load of 41 to 60 watts will be set at 35 kWh per device.
4. The monthly energy consumption for devices with a maximum load of 61 to 80 watts will be set at 50 kWh per device.
5. A maximum of 50 individual devices can be aggregated to a single account (*i.e.*, a single ESI ID), subject to the following conditions:
 - a. All aggregated devices must have the same assigned monthly energy consumption (*i.e.*, either 10 kWh, 20 kWh, 35 kWh, or 50 kWh per device);
 - b. All aggregated devices must be located in the same city and county (or, in the event all of the devices are located outside the limits of an incorporated city, all devices must be located in the same county).

In lieu of the meter charge, a per device charge of \$1 per month will be added to the applicable charges.

AGREEMENT

Provision of unmetered service will require an agreement that includes certification by the retail customer on at least an annual basis of the number of installed devices and specific location of each device. Failure by retail customer to obtain Company's authorization for changes to unmetered service may result in Company's refusal to continue service.

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

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6.1.1.1.3 Secondary Service Greater Than 10 kW

AVAILABILITY

This schedule is applicable to Delivery Service at secondary voltage with demand greater than 10 kW when such Delivery Service is to one Point of Delivery and measured through one Meter.

TYPE OF SERVICE

Delivery Service will be single or three-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service, unless Retail Customer is eligible for and chooses a competitive meter provider. Any meter other than the standard meter provided by Company will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2 of this Tariff.

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|-----------------|---------------------|
| Customer Charge | \$9.25 | per Retail Customer |
| Metering Charge | \$30.82 | per Retail Customer |
| Transmission System Charge | | |
| See Demand | \$0.00 | per NCP kW |
| Determination | \$0.00 | per 4CP kW |
| Distribution System Charge | See Table Below | |

| NCP kW | Annual Load Factor | per Distribution Billing kW |
|-----------------------------|--------------------|-----------------------------|
| Less than or equal to 20 kW | All | \$4.497330 |
| Greater than 20 kW | 0% - 10% | \$6.275746 |
| | 11% - 15% | \$5.557887 |
| | 16% - 20% | \$5.227174 |
| | 21% - 25% | \$5.053968 |
| | 26% and above | \$4.497330 |

| | | |
|--|-----------------|------------------------------------|
| II. Nuclear Decommissioning Charge: | See Rider NDC | per Distribution System billing kW |
| III. Transmission Cost Recovery Factor: | See Rider TCRF | |
| IV. Energy Efficiency Cost Recovery Factor: | See Rider EECRF | |
| V. Competitive Meter Credit: | See Rider CMC | |

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

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Other Charges or Credits

| | | |
|---|----------------|------------------------------------|
| VI. Rate Case Expense Surcharge: | See Rider RCE | per Distribution System billing kW |
| VII. Remand Surcharge: | See Rider RS | per Distribution System billing kW |
| VIII. Capital Structure Refund: | See Rider CSR | per Distribution System billing kW |
| IX. Distribution Cost Recovery Factor: | See Rider DCRF | per Distribution System billing kW |
| X. Tax Refund Factor: | See Rider TRF | per Distribution System billing kW |

COMPANY SPECIFIC APPLICATIONS

At Company's option, locations where the electrical installation has multiple connections to Company's conductors, due to Company facilities limitations or design criteria, may be considered one Point of Delivery for billing purposes.

DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

Any Premises that has established an NCP kW of at least 700 kW in any previous billing month, or Retail Customers billed on 4CP kW prior to the effective date of this tariff, shall be billed on their 4CP kW pursuant to the Determination of 4CP kW provision shown below.

DETERMINATION OF NCP kW

The NCP kW applicable under the Monthly Rate section shall be the kW supplied during the 15 minute period of maximum use during the billing month.

DETERMINATION OF 4CP kW

The 4CP kW applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective on January 1 of each calendar year and remain fixed throughout the calendar year. Retail Customers without previous history on which to determine their 4CP kW will be billed at the applicable NCP rate under the "Transmission System Charge" using the Retail Customer's NCP kW.

DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

DETERMINATION OF ANNUAL LOAD FACTOR

The Annual Load Factor for each premise shall be calculated using the previous year's usage for that premise ending with the December Bill Cycle. The Annual Load Factor shall apply for the following 12 billing months.

The Annual Load Factor calculation is as follows:

$$\frac{\text{kWh Used in 12 Billing Months Ending December}}{\text{Maximum NCP kW for the 12 Billing Months Ending December} * \text{Days in Billing Periods} * 24}$$

For premises with less than 12 months usage history, the available billing history shall be used for determining the Annual Load Factor. However, if less than 90 days of billing history is available, the premise shall be assumed to have an Annual Load Factor greater than 25%.

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area
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DETERMINATION OF BILLING kW

For loads whose maximum NCP kW established in the 11 months preceding the current billing month is less than or equal to 20 kW, the Billing kW applicable to the Distribution System Charge shall be the NCP kW for the current billing month.

For loads whose maximum NCP kW established in the 11 months preceding the current billing month is greater than 20 kW and their Annual Load Factor is less than or equal to 25%, the Billing kW applicable to the Distribution System Charge shall be the NCP kW for the current billing month.

Billing kW applicable to Riders TC, NDC, RCE charges shall be the higher of the NCP kW for the current billing month or 80% of the highest monthly NCP kW established in the 11 months preceding the current billing month (80% ratchet).

For all other loads, the Billing kW applicable to the Distribution System Charge shall be the higher of the NCP kW for the current billing month or 80% of the highest monthly NCP kW established in the 11 months preceding the current billing month (80% ratchet).

The 80% ratchet and the Annual Load Factor Provisions shall not apply to Retail Seasonal Agricultural Customers.

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

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6.1.1.1.4 Primary Service Less Than or Equal to 10 kW

AVAILABILITY

This schedule is applicable to Delivery Service for non-residential purposes at primary voltage when such Delivery Service is to one Point of Delivery and measured through one Meter.

TYPE OF SERVICE

Delivery Service will be single or three-phase, 60 hertz, at a standard primary voltage. Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service, unless Retail Customer is eligible for and chooses a competitive meter provider. Any meter other than the standard meter provided by Company will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2 of this Tariff.

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|------------|---------------------|
| Customer Charge | \$6.22 | per Retail Customer |
| Metering Charge | \$18.50 | per Retail Customer |
| Transmission System Charge | \$0.00 | per kWh |
| Distribution System Charge | \$0.003198 | per kWh |

II. Nuclear Decommissioning Charge: See Rider NDC per kWh

III. Transmission Cost Recovery Factor: See Rider TCRF

IV. Energy Efficiency Cost Recovery Factor: See Rider
EECRF

V. Competitive Meter Credit: See Rider CMC

Other Charges or Credits

VI. Rate Case Expense Surcharge: See Rider RCE per kWh

VII. Remand Surcharge: See Rider RS per kWh

VIII. Capital Structure Refund: See Rider CSR per kWh

IX. Distribution Cost Recovery Factor: See Rider DCRF per kWh

X. Tax Refund Factor: See Rider TRF per kWh

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

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6.1.1.1.5 Primary Service Greater Than 10 kW – Distribution Line

AVAILABILITY

This schedule is applicable to Delivery Service for non-residential purposes at primary voltage when such Delivery Service is to one Point of Delivery and measured through one Meter.

TYPE OF SERVICE

Delivery Service will be single or three-phase, 60 hertz, at a standard primary voltage. Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service, unless Retail Customer is eligible for and chooses a competitive meter provider. Any meter other than the standard meter provided by Company will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to 6.1.2.2 of this Tariff.

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|------------|------------------------------------|
| Customer Charge | \$15.57 | per Retail Customer |
| Metering Charge | \$36.15 | per Retail Customer |
| Transmission System Charge | | |
| See Demand | \$0.00 | per NCP kW |
| Determination | \$0.00 | per 4CP kW |
| Distribution System Charge | \$3.795846 | per Distribution System billing kW |

| | | |
|--|---------------|------------------------------------|
| II. Nuclear Decommissioning Charge: | See Rider NDC | per Distribution System billing kW |
|--|---------------|------------------------------------|

| | |
|--|----------------|
| III. Transmission Cost Recovery Factor: | See Rider TCRF |
|--|----------------|

| | |
|--|-----------------|
| IV. Energy Efficiency Cost Recovery Factor: | See Rider EECRF |
|--|-----------------|

| | |
|-------------------------------------|---------------|
| V. Competitive Meter Credit: | See Rider CMC |
|-------------------------------------|---------------|

Other Charges or Credits

| | | |
|---|---------------|------------------------------------|
| VI. Rate Case Expense Surcharge: | See Rider RCE | per Distribution System billing kW |
|---|---------------|------------------------------------|

| | | |
|-------------------------------|--------------|------------------------------------|
| VII. Remand Surcharge: | See Rider RS | per Distribution System billing kW |
|-------------------------------|--------------|------------------------------------|

| | | |
|--|---------------|------------------------------------|
| VIII. Capital Structure Refund: | See Rider CSR | per Distribution System billing kW |
|--|---------------|------------------------------------|

| | | |
|---|----------------|------------------------------------|
| IX. Distribution Cost Recovery Factor: | See Rider DCRF | per Distribution System billing kW |
|---|----------------|------------------------------------|

| | | |
|------------------------------|---------------|------------------------------------|
| X. Tax Refund Factor: | See Rider TRF | per Distribution System billing kW |
|------------------------------|---------------|------------------------------------|

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

Effective Date: October 8, 2018

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COMPANY SPECIFIC APPLICATIONS

At Company's option, locations where the electrical installation has multiple connections to Company's conductors, due to Company facilities limitations or design criteria, may be considered one Point of Delivery for billing purposes.

DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

Any Premises that has established an NCP kW of at least 700 kW in any previous billing month, or Retail Customers billed on 4CP kW prior to the effective date of this tariff, shall be billed on their 4CP kW pursuant to the Determination of 4CP kW provision shown below.

DETERMINATION OF NCP kW

The NCP kW applicable under the Monthly Rate section shall be the kW supplied during the 15 minute period of maximum use during the billing month.

DETERMINATION OF 4CP kW

The 4CP kW applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective on January 1 of each calendar year and remain fixed throughout the calendar year. Retail Customers without previous history on which to determine their 4CP kW will be billed at the applicable NCP rate under the "Transmission System Charge" using the Retail Customer's NCP kW.

DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

DETERMINATION OF BILLING kW

For loads whose maximum NCP kW established in the 11 months preceding the current billing month is less than or equal to 20 kW, the Billing kW applicable to the Distribution System Charge shall be the NCP kW for the current billing month.

For all other loads, the Billing kW applicable to the Distribution System Charge shall be the higher of the NCP kW for the current billing month or 80% of the highest monthly NCP kW established in the 11 months preceding the current billing month (80% ratchet).

The 80% ratchet shall not apply to Retail Seasonal Agricultural Customers.

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

Effective Date: October 8, 2018

Sheet: 1.6

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6.1.1.1.6 - Primary Service Greater Than 10 kW – Substation

AVAILABILITY

This schedule is applicable to Delivery Service taken directly from a Company-owned substation for non-residential purposes at primary voltage when such Delivery Service is to one Point of Delivery and measured through one Meter.

TYPE OF SERVICE

Delivery Service will be single or three-phase, 60 hertz, at a standard primary voltage. Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service, unless Retail Customer is eligible for and chooses a competitive meter provider. Any meter other than the standard meter provided by Company will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to 6.1.2.2 of this Tariff.

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|------------|------------------------------------|
| Customer Charge | \$151.17 | per Retail Customer |
| Metering Charge | \$248.57 | per Retail Customer |
| Transmission System Charge | \$0.00 | per 4CP kW |
| Distribution System Charge | \$0.480576 | per Distribution System billing kW |

| | | |
|--|---------------|------------------------------------|
| II. Nuclear Decommissioning Charge: | See Rider NDC | per Distribution System billing kW |
|--|---------------|------------------------------------|

| | | |
|--|----------------|-------------------------------------|
| III. Transmission Cost Recovery Factor: | See Rider TCRF | per NCP kW or 4CP kW, as applicable |
|--|----------------|-------------------------------------|

| | | |
|--|-----------------|--|
| IV. Energy Efficiency Cost Recovery Factor: | See Rider EECRF | |
|--|-----------------|--|

| | | |
|-------------------------------------|---------------|--|
| V. Competitive Meter Credit: | See Rider CMC | |
|-------------------------------------|---------------|--|

Other Charges and Credits

| | | |
|---|---------------|------------------------------------|
| VI. Rate Case Expense Surcharge: | See Rider RCE | per Distribution System billing kW |
|---|---------------|------------------------------------|

| | | |
|-------------------------------|--------------|------------------------------------|
| VII. Remand Surcharge: | See Rider RS | per Distribution System billing kW |
|-------------------------------|--------------|------------------------------------|

| | | |
|--|---------------|------------------------------------|
| VIII. Capital Structure Refund: | See Rider CSR | per Distribution System billing kW |
|--|---------------|------------------------------------|

| | | |
|---|----------------|------------------------------------|
| IX. Distribution Cost Recovery Factor: | See Rider DCRF | per Distribution System billing kW |
|---|----------------|------------------------------------|

| | | |
|------------------------------|---------------|------------------------------------|
| X. Tax Refund Factor: | See Rider TRF | per Distribution System billing kW |
|------------------------------|---------------|------------------------------------|

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COMPANY SPECIFIC APPLICATIONS

At Company's option, locations where the electrical installation has multiple connections to Company's conductors, due to Company facilities limitations or design criteria, may be considered one Point of Delivery for billing purposes.

DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

Any Premises that has established an NCP kW of at least 700 kW in any previous billing month, or Retail Customers billed on 4CP kW prior to the effective date of this tariff, shall be billed on their 4CP kW pursuant to the Determination of 4CP kW provision shown below.

DETERMINATION OF NCP kW

The NCP kW applicable under the Monthly Rate section shall be the kW supplied during the 15 minute period of maximum use during the billing month.

DETERMINATION OF 4CP kW

The 4CP kW applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective on January 1 of each calendar year and remain fixed throughout the calendar year. Retail Customers without previous history on which to determine their 4CP kW will be billed at the applicable NCP rate under the "Transmission System Charge" using the Retail Customer's NCP kW.

DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

DETERMINATION OF BILLING kW

For loads whose maximum NCP kW established in the 11 months preceding the current billing month is less than or equal to 20 kW, the Billing kW applicable to the Distribution System Charge shall be the NCP kW for the current billing month.

For all other loads, the Billing kW applicable to the Distribution System Charge shall be the higher of the NCP kW for the current billing month or 80% of the highest monthly NCP kW established in the 11 months preceding the current billing month (80% ratchet).

The 80% ratchet shall not apply to Retail Seasonal Agricultural Customers.

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

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6.1.1 Delivery System Charges

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6.1.1.1.7 Transmission Service

AVAILABILITY

This schedule is applicable to Delivery Service for non-residential purposes at transmission voltage when such Delivery Service is to one Point of Delivery and measured through one Meter.

TYPE OF SERVICE

Delivery Service will be three-phase, 60 hertz, at a standard transmission voltage. Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service, unless Retail Customer is eligible for and chooses a competitive meter provider. Any meter other than the standard meter provided by Company will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2 of this Tariff.

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|------------|------------------------------------|
| Customer Charge | \$162.10 | per Retail Customer |
| Metering Charge | \$256.84 | per Retail Customer |
| Transmission System Charge | \$0.00 | per 4CP kW |
| Distribution System Charge | \$0.254644 | per Distribution System billing kW |

II. Nuclear Decommissioning Charge: See Rider NDC per Distribution System billing kW

III. Transmission Cost Recovery Factor: See Rider TCRF

IV. Energy Efficiency Cost Recovery Factor: See Rider EECRF

V. Competitive Meter Credit: See Rider CMC

Other Charges or Credits

VI. Rate Case Expense Surcharge: See Rider RCE per Distribution System billing kW

VII. Remand Surcharge: See Rider RS per Distribution System billing kW

VIII. Capital Structure Refund: See Rider CSR per Distribution System billing kW

IX. Distribution Cost Recovery Factor: See Rider DCRF per Distribution System billing kW

X. Tax Refund Factor: See Rider TRF per Distribution System billing kW

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COMPANY SPECIFIC APPLICATIONS

DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

DETERMINATION OF 4CP kW

The 4CP kW applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15-minute peak demand for the months of June, July, August and September of the previous calendar year.

Retail Customers without previous history on which to determine their 4CP kW will be billed based on estimated 4CP kW, in accordance with the following procedures:

- (a) Retail Customers having IDR data for fewer than 4CP kW, but at least two CP kW, will be billed based on the average of the actual CP kW, so long as the CP kW are representative of the Retail Customer's expected load, as derived from engineering estimates. If the CP kW are not representative of the expected load, the estimated 4CP kW will be set based on mutual agreement between the Retail Customer and the Company.
- (b) Retail Customers that do not have at least two CP kW will be billed by estimating the Retail Customer's 4CP kW demand by applying a class coincidence factor to the Retail Customer's NCP kW, using the formula:

Estimated 4CP kW = (NCP kW * TCCF) where:

NCP kW is the highest 15-minute integrated demand of an individual Retail Customer served at transmission voltage during the month; and

TCCF is the transmission class coincidence factor for the months June, July, August, and September calculated from the Company's most recent UCOS proceeding using the following formula:

$$TCCF = \frac{\sum \text{Class CP kW for June, July, August, September}}{\sum \text{Class NCP kW for June, July, August, September}}$$

Where:

Class CP kW is the transmission voltage rate class' 15-minute demand at the time of the ERCOT CP and Class NCP kW is the transmission voltage class' maximum 15-minute demand during a month.

DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

DETERMINATION OF BILLING kW

The Billing kW applicable to the Distribution System Charge shall be the higher of the NCP kW for the current billing month or 80% of the highest monthly NCP kW established in the 11 months preceding the current billing month (80% ratchet).

The 80% ratchet shall not apply to Retail Seasonal Agricultural Customers.

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

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6.1.1.1.8 Lighting Service

Street Lighting Service

AVAILABILITY

Applicable to Competitive Retailer for street lighting, pedestrian walkway lighting, and overhead sign lighting service to governmental entities in areas served by Company. Overhead sign lighting is available only under the provisions of Schedule D of the Monthly Rate - Unmetered Facilities or the Monthly Rate - Metered Facilities - Non-Company-Owned provisions or the appropriate Secondary Service or Primary Service Rate Schedule.

TYPE OF SERVICE

Single or three phase, 60 hertz, at any of the Company's standard secondary or primary service voltages as required by Competitive Retailer. Where existing distribution facilities are not adjacent to the point of delivery, additional charges and special contract arrangements may be required prior to its being furnished. If service is provided at primary voltage, Company may at its option meter service on the secondary side of the governmental entity's transformers and adjust for transformer losses in accordance with Company's Tariff for Retail Delivery Service.

MONTHLY RATE

I. Unmetered Facilities

Points of Delivery (POD) Charge: \$56.29 per governmental entity served by the Competitive Retailer.

| Lamp | Watts | Lumens | kWh | Schedule | | | Rectangular* | Post-Top* |
|--------------------------------|------------------|---------|-----|----------|---------|----------|--------------|-----------|
| | | | | A | B* | C* and D | | |
| Mercury Vapor* (See Note 1) | 175 | 7,900 | 70 | \$10.65 | \$14.88 | \$1.53 | \$26.53 | \$10.23 |
| | 400 | 21,000 | 150 | \$11.86 | \$19.70 | \$3.10 | N.A. | N.A. |
| | 1,000 | 63,000 | 370 | \$15.00 | \$23.73 | \$7.43 | N.A. | N.A. |
| Sodium Vapor | 100 | 9,500 | 40 | \$10.31 | \$14.84 | \$0.94 | \$25.97 | \$9.87 |
| | 150 | 16,000 | 70 | \$10.86 | \$16.70 | \$1.53 | N.A. | N.A. |
| | 200 | 22,000 | 80 | \$10.99 | \$19.39 | \$1.72 | N.A. | N.A. |
| | 250 | 27,500 | 100 | \$11.21 | \$19.63 | \$2.12 | \$25.97 | N.A. |
| | 400 | 50,000 | 160 | \$12.60 | \$22.25 | \$3.30 | N.A. | N.A. |
| | 1,000* | 140,000 | 375 | \$14.78 | \$23.72 | \$7.52 | N.A. | N.A. |
| Metal Halide * | 150 | 14,000 | 65 | \$12.42 | N.A. | \$1.43 | N.A. | N.A. |
| | 175 (see note 2) | 14,000 | 65 | \$12.42 | \$19.33 | \$1.43 | N.A. | N.A. |
| | 250 | 25,000 | 100 | \$14.15 | \$22.54 | \$2.12 | N.A. | N.A. |
| | 400 | 36,000 | 160 | \$14.60 | \$22.54 | \$3.30 | \$36.19 | N.A. |
| | 1,000* | 110,000 | 370 | \$17.86 | \$25.77 | \$7.43 | \$40.18 | N.A. |

| Other: | | | | |
|----------------|-------|--------|-----|---------|
| Lamp | Watts | Lumens | kWh | |
| Incandescent * | All | | | \$10.31 |
| Historical* | | | | |
| Mercury Vapor | 175 | 7,900 | 70 | \$10.64 |
| Sodium Vapor | 100 | 9,500 | 40 | \$10.31 |
| Sodium Vapor | 150 | 16,000 | 70 | \$10.86 |
| Metal Halide | 175 | 14,000 | 65 | \$12.47 |

* Closed to new street lighting installations.

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LED Street Lighting Options

| Lamp | Wattage Range | kWh | Schedule A LED Street Lighting | | | | Schedule D LED Street Lighting |
|------|---------------|-----|--------------------------------|-----------------------------|----------------------------|----------------------------|--------------------------------|
| | | | Cobra Head (See Note 3) | Rectangular (See Note 4) | Post – Top (See Note 4) | Historical (See Note 4) | |
| LED | 0 - 55 | 15 | \$11.52 | \$25.14 | \$13.92 | \$28.59 | \$0.45 |
| LED | 56 - 100 | 30 | \$11.91 | \$25.99 | \$14.30 | \$29.76 | \$0.74 |
| LED | 101 - 140 | 45 | \$12.71 | \$27.28 | N/A | N/A | \$1.03 |
| LED | 141 - 180 | 55 | \$13.30 | N/A | N/A | N/A | \$1.23 |
| LED | 181 - 265 | 80 | \$15.40 | N/A | N/A | N/A | \$1.72 |

Note 1: Mercury Vapor options are closed to new installations. Company will continue to maintain existing Mercury Vapor lamps as long as replacement lamps are available. When replacement lamps are no longer available or existing fixtures are damaged or fail and must be replaced, Retail Customer will have the option to switch its service to the lamp type as specified in Mercury Vapor and Metal Halide Fixture Replacement Schedule below or to cancel service at no cost. Existing 250 Watt Mercury Vapor lighting will be billed at same rate as 175 Watt Mercury Vapor.

Note 2: Metal Halide option is closed to new installations. Company will continue to maintain existing metal halide lamps as long as replacement lamps are available. When replacement lamps are no longer available or existing fixtures are damaged or fail and must be replaced, Retail Customer will have the option to switch its service to the lamp type as specified in Mercury Vapor and Metal Halide Fixture Replacement Schedule below or to cancel service at no cost.

Note 3: Schedule A Cobra Head LED Street Lighting applies to:

Company installed, owned, operated, and maintained street lights mounted on wood poles with a cobra head arm and served overhead.

Company installed, owned, operated, and maintained street lights mounted on wood, steel, or ornamental poles of a type normally used by Company, and served overhead or underground, and Retail Customer has contributed to Company an amount equivalent to the difference between the total installed cost of such street lighting and the Standard Allowance for the Cobra Head Street Lighting Option.

Note 4: Schedule A Rectangular, Post-Top, and Historical LED Street Lighting applies to:

Company installed, owned, operated, and maintained street lights mounted on wood, steel, or ornamental poles of a type normally used by Company, and served overhead or underground, and Retail Customer has contributed to Company an amount equivalent to the difference between the total installed cost of such street lighting and the Standard Allowance for the applicable LED Street Lighting Option.

II. Nuclear Decommissioning Charge: See Rider NDC per kWh

III. Transmission Cost Recovery Factor: See Rider TCRF

IV. Energy Efficiency Cost Recovery Factor: See Rider EECRF

Other Charges or Credits

V. Rate Case Expense Surcharge: See Rider RCE per kWh

VI. Remand Surcharge: See Rider RS per kWh

VII. Capital Structure Refund: See Rider CSR per kWh

VIII. Distribution Cost Recovery Factor: See Rider DCRF per kWh

IX. Tax Refund Factor: See Rider TRF per kWh

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DEFINITIONS

Pedestrian Walkway Lighting:

Pedestrian walkway lighting is used to illuminate sidewalks along municipally-owned streets and roads and within municipally-owned parks and recreational areas.

Standard Allowance:

An amount equal to the average installed cost of a street light of a type normally used by Company and served either overhead or underground. For LED Street Lighting Options, the standard allowance is equal to the installed cost of the following:

Cobra Head - an LED street light mounted on a 35' wooden pole, with a cobra head arm, served overhead.
Rectangular - a Rectangular LED street light mounted on a 20' steel anchor-based pole, served underground.
Post-Top - a Post-Top LED street light mounted on a 20' fiberglass pole, served underground.
Historical - a Historical LED street light mounted on a 11' aluminum anchor-based historical pole, served underground.

Repair and Maintenance:

Repair consists of the repair or replacement of any individual component associated with the pole or fixture that allows the facility to operate safely and effectively. Maintenance includes photocell replacement and cleaning of lens at the time of bulb replacement. Repair and Maintenance do not include painting or straightening of poles unless Company determines that safety or operation is adversely affected.

Replacement:

Replacement includes only the complete replacement of the street light luminaire and pole caused by impacts related to weather, construction, or traffic accidents.

For street lights installed after the effective date of this revision, Schedules A and D are defined as follows:

Schedule A applies to Company installed, owned, operated, and maintained street lights of the types and sizes provided in the chart under Section I. Unmetered Facilities.

Schedule D applies to Retail Customer owned, operated and maintained street lights and overhead sign lights or where such lights are installed by a governmental entity for the use of Retail Customer, and Company supplies distribution service to Retail Customer for the operation of the street lights or overhead sign lights. Company does not provide maintenance to Schedule D lights in accordance with this tariff.

For street lights installed prior to the effective date of this revision, Schedules A, B, C, and D are defined as follows:

Schedule A applies to:

Company installed, owned, operated, and maintained street lights mounted on wood poles and served overhead.

Company installed, owned, operated, and maintained street lights mounted on wood, steel, or ornamental poles of a type normally used by Company, and served overhead or underground, and Retail Customer has contributed to Company an amount equivalent to the difference between the total installed cost of such street lighting and the total installed cost of an equivalent lighting system mounted on wood poles and served overhead.

Schedule B applies to:

Company installed, owned, operated, and maintained street lights mounted on steel or other ornamental poles of a type normally used by Company and served overhead. If the number of steel and/or other ornamental poles exceeds the number of such poles on which lights are mounted, there will be an additional charge of \$5.18 per month for each such excess pole. Where two street lights with lamps of the same size are mounted on the same steel and/or other ornamental pole, Schedule B applies to one of the lights and Schedule A to the other.

Company installed, owned, operated, and maintained street lights mounted on steel or other ornamental poles of a type normally used by Company and served underground, and Retail Customer has contributed to Company an amount equivalent to the difference between the total installed cost of the underground circuits serving the street lights and the total installed cost of overhead circuits. Where two street lights with lamps of the same size are mounted on the same steel and/or other ornamental pole, Schedule B applies to one of the lights and Schedule A to the other.

Schedule C applies to:

Street lights installed for the use of Retail Customer by Retail Customer or by a governmental subdivision. All equipment replacement and maintenance is performed by Retail Customer or the governmental subdivision. Company provides lamp replacement service only which includes lamp and labor (unless otherwise requested in writing by Retail Customer).

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Company-owned street lights mounted on steel or other ornamental poles of a type not normally used by Company, and Retail Customer has contributed to Company an amount equivalent to the entire construction cost of the street lighting facilities including luminaires and circuits.

Company operates all street lights under Schedule C (must be of a type suitable for use with the lamp sizes provided for herein) and makes all normal lamp replacements which includes lamp and labor at its expense. All other maintenance will be billed to Retail Customer on the basis of actual costs including appropriate overhead expenses.

Schedule D applies to:

Retail Customer operated and maintained street lights and overhead sign lights or where such lights are installed by a governmental subdivision for the use of Retail Customer, and Company supplies distribution service to Retail Customer for the operation of the street lights or overhead sign lights.

CONVERSION OR REPLACEMENT OF EXISTING FUNCTIONAL FACILITIES AT RETAIL CUSTOMER'S REQUEST

Company will convert or replace existing Company-owned, functional facilities (size or type of luminaire) to a different Company-offered size or type of luminaire upon request of and payment by Retail Customer of \$82 for each luminaire, to cover the cost of removal of existing facilities and an amount equal to the unamortized investment in the converted or replaced facilities, less the salvage value of the existing facilities. If the salvage value of the converted or replaced facilities is less than \$0, this negative salvage value will be treated as additional cost to be paid by the Retail Customer. Installation of new facilities requested by Retail Customer will be performed pursuant to the Standard Allowance described above.

Company will limit the conversion of fully operable mercury vapor, sodium vapor, and metal halide street lights to any LED Street Lighting Options to a maximum of 10,000 street lights per year. Additional conversions will be at the sole discretion of the Company.

Customer Requested Removal of Existing Facilities

Company will remove existing facilities upon request by Retail Customer if Customer pays an amount pursuant to Section 6.1.2.1, Charge No. SD16.

SPECIAL CONDITIONS

For billing purposes the monthly street lighting and overhead sign lighting burning hours are 333 hours per month and all connections and disconnections are assumed to have occurred at the beginning of the current month's billing period.

Retail Customer-owned unmetered lamps other than those of the lamp sizes shown under Schedule D existing prior to the effective date of this tariff are billed under the metered rate and the amount of monthly energy is determined by multiplying the connected load (including ballast) by the number of burning hours.

New Service provided to customer-owned street light other than the types and sizes provided in Schedule D will be provided under the appropriate Secondary Service or Primary Service Rate Schedule.

Company reserves the right to discontinue service at locations where excessive maintenance and/or lamp replacement occur, or Company may charge Retail Customer for such maintenance and/or lamp replacements. Company makes all connections and disconnections to its distribution system.

Company-owned, operated, and maintained lighting facilities shall be installed in accordance with National Electrical Safety Code standards.

AGREEMENT

An Agreement for Street Lighting Service with a term of not less than ten years is required.

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

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MONTHLY RATE

I. Metered Facilities – Non-Company Owned

Applicable for distribution service supplied at one point of delivery and measured through one meter to Retail Customer owned, operated and maintained street and highway lighting, overhead sign lighting, and incidental safety lighting equipment which operates same hours as normal street lighting.

| | | |
|-----------------|--------|---------------------|
| Customer Charge | \$3.51 | per Retail Customer |
|-----------------|--------|---------------------|

| | | |
|-----------------|---------|---------------------|
| Metering Charge | \$12.65 | per Retail Customer |
|-----------------|---------|---------------------|

| | | |
|----------------------------|------------|---------|
| Distribution System Charge | \$0.019066 | per kWh |
|----------------------------|------------|---------|

| | | |
|-------------------------------------|---------------|---------|
| II. Nuclear Decommissioning Charge: | See Rider NDC | per kWh |
|-------------------------------------|---------------|---------|

| | | |
|---|----------------|--|
| III. Transmission Cost Recovery Factor: | See Rider TCRF | |
|---|----------------|--|

| | | |
|---|-----------------|--|
| IV. Energy Efficiency Cost Recovery Factor: | See Rider EECRF | |
|---|-----------------|--|

| | | |
|------------------------------|---------------|--|
| V. Competitive Meter Credit: | See Rider CMC | |
|------------------------------|---------------|--|

Other Charges or Credits

| | | |
|----------------------------------|---------------|---------|
| VI. Rate Case Expense Surcharge: | See Rider RCE | per kWh |
|----------------------------------|---------------|---------|

| | | |
|-----------------------|--------------|---------|
| VII. Remand Surcharge | See Rider RS | per kWh |
|-----------------------|--------------|---------|

| | | |
|---------------------------------|---------------|---------|
| VIII. Capital Structure Refund: | See Rider CSR | per kWh |
|---------------------------------|---------------|---------|

| | | |
|--|----------------|---------|
| IX. Distribution Cost Recovery Factor: | See Rider DCRF | per kWh |
|--|----------------|---------|

| | | |
|-----------------------|---------------|---------|
| X. Tax Refund Factor: | See Rider TRF | per kWh |
|-----------------------|---------------|---------|

MONTHLY RATE

I. Metered Facilities - Company-Owned (Closed to new installations)

| | | |
|-----------------|--------|---------------------|
| Customer Charge | \$3.51 | per Retail Customer |
|-----------------|--------|---------------------|

| | | |
|-----------------|---------|---------------------|
| Metering Charge | \$12.65 | per Retail Customer |
|-----------------|---------|---------------------|

| | | |
|----------------------------|------------|---------|
| Distribution System Charge | \$0.116112 | per kWh |
|----------------------------|------------|---------|

| | | |
|-------------------------------------|---------------|---------|
| II. Nuclear Decommissioning Charge: | See Rider NDC | per kWh |
|-------------------------------------|---------------|---------|

| | | |
|---|----------------|--|
| III. Transmission Cost Recovery Factor: | See Rider TCRF | |
|---|----------------|--|

| | | |
|---|-----------------|--|
| IV. Energy Efficiency Cost Recovery Factor: | See Rider EECRF | |
|---|-----------------|--|

| | | |
|------------------------------|---------------|--|
| V. Competitive Meter Credit: | See Rider CMC | |
|------------------------------|---------------|--|

Other Charges or Credits

| | | |
|----------------------------------|---------------|---------|
| VI. Rate Case Expense Surcharge: | See Rider RCE | per kWh |
|----------------------------------|---------------|---------|

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| | | |
|---|----------------|---------|
| VII. Remand Surcharge | See Rider RS | per kWh |
| VIII. Capital Structure Refund: | See Rider CSR | per kWh |
| IX. Distribution Cost Recovery Factor: | See Rider DCRF | per kWh |
| X. Tax Refund Factor: | See Rider TRF | per kWh |

MERCURY VAPOR AND METAL HALIDE FIXTURE REPLACEMENT SCHEDULE

For Company-owned lights, when existing mercury vapor or metal halide fixtures require replacement, Company will make such replacements with comparable high pressure sodium vapor or LED Cobra Head lighting at no cost, as specified below:

| Existing Mercury Vapor Lighting : | | | Sodium Vapor Replacement : | | | Comparable LED Replacement : | |
|--|---------------|----------------|-----------------------------------|---------------|------------|-------------------------------------|------------|
| <u>Wattage</u> | <u>Lumens</u> | <u>kWh</u> | <u>Wattage</u> | <u>Lumens</u> | <u>kWh</u> | <u>Wattage Range</u> | <u>kWh</u> |
| 175 | 7,900 | 70 | 100 | 9,500 | 40 | 0 – 55 | 15 |
| 400 | 21,000 | 150 | 200 | 22,000 | 80 | 101 – 140 | 45 |
| 1,000 | 63,000 | 370 | 400 | 50,000 | 160 | 181 – 265 | 80 |
| Existing Metal Halide Lighting : | | | Sodium Vapor Replacement : | | | Comparable LED Replacement : | |
| <u>Wattage</u> | <u>Lumens</u> | <u>Wattage</u> | <u>Wattage</u> | <u>Lumens</u> | <u>kWh</u> | <u>Wattage Range</u> | <u>kWh</u> |
| 150 | 14,000 | 65 | 150 | 16,000 | 70 | 56 – 100 | 30 |
| 175 | 14,000 | 65 | 150 | 16,000 | 70 | 56 – 100 | 30 |
| 250 | 25,000 | 100 | 250 | 27,500 | 100 | 141 – 180 | 55 |
| 400 | 36,000 | 160 | 400 | 50,000 | 160 | 181 – 265 | 80 |
| 1,000 | 110,000 | 370 | 400 | 50,000 | 160 | 181 – 265 | 80 |

Upon replacement, Retail Customer will be billed at the applicable facilities charge and associated kWh usage for the replacement lighting.

Upon request of the Retail Customer, Company will convert or replace existing mercury vapor or metal halide lighting to street lighting options other than those indicated above, as stated in "CONVERSION OR REPLACEMENT OF EXISTING FACILITIES."

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Outdoor Lighting Service (CLOSED)

AVAILABILITY

Applicable to Competitive Retailers for unmetered lighting service supplied exclusively to one or more existing outdoor lamps as specified below operating automatically from dusk to dawn.

Not applicable to street lighting.

MONTHLY RATE

I. Unmetered Facilities

Point of Delivery (POD) Charge: \$1.26 per premise.

Guard Lights

| Type | Watts | kWh | Lumens | Facilities Charge |
|-------------------------------|-----------|-----|----------------|-------------------|
| Mercury Vapor (See Note 1) | 175 | 70 | 7,900 | \$6.86 |
| | 400 | 150 | 21,000 | \$10.46 |
| Sodium Vapor | 100 | 40 | 9,500 | \$6.45 |
| | 200 | 80 | 22,000 | \$9.14 |
| LED (See Note 2) | 0 - 55 | 15 | Not Applicable | \$10.35 |
| | 56 - 100 | 30 | | \$11.91 |
| | 101 - 140 | 45 | | \$12.71 |
| | 141 - 180 | 55 | | \$13.30 |
| | 181 - 265 | 80 | | \$15.40 |

Flood Lights

| Type | Watts | kWh | Lumens | Facilities Charge |
|--------------|-----------|-----|----------------|-------------------|
| Metal Halide | 175 | 65 | 14,000 | \$8.89 |
| | 250 | 100 | 25,000 | \$12.09 |
| | 400 | 160 | 36,000 | \$14.58 |
| | 1000 | 370 | 110,000 | \$25.55 |
| Sodium Vapor | 100 | 40 | 9,500 | \$8.78 |
| | 200 | 80 | 22,000 | \$9.14 |
| | 250 | 100 | 27,000 | \$11.28 |
| | 400 | 160 | 50,000 | \$14.43 |
| | 1000 | 375 | 140,000 | \$26.42 |
| LED | 0 - 55 | 15 | Not Applicable | \$12.92 |
| | 56 - 100 | 30 | | \$13.89 |
| | 101 - 140 | 45 | | \$14.54 |
| | 141 - 180 | 55 | | \$15.23 |
| | 181 - 265 | 80 | | \$16.16 |

Note 1: Company will continue to maintain existing Mercury Vapor and Metal Halide installations as long as replacement lamps are available. As existing fixtures are damaged or fail and must be replaced, Retail Customer will have the option to switch its service to another lamp type as specified in Mercury Vapor and Metal Halide Fixture Replacement Schedule below or cancel service at no cost.

Note 2: The 0-55W LED Guard Light is an open bowl LED light. The LED Guard Lights at wattages greater than 55W are LED Cobra Head Street Lights.

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

Effective Date: October 8, 2018

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| | | |
|--|-----------------|---------|
| II. Nuclear Decommissioning Charge: | See Rider NDC | per kWh |
| III. Transmission Cost Recovery Factor: | See Rider TCRF | |
| IV. Energy Efficiency Cost Recovery Factor: | See Rider EECRF | |
| V. Competitive Meter Credit: | See Rider CMC | |

Other Charges or Credits

| | | |
|---|----------------|---------|
| VI. Rate Case Expense Surcharge: | See Rider RCE | per kWh |
| VII. Remand Surcharge | See Rider RS | per kWh |
| VIII. Capital Structure Refund: | See Rider CSR | per kWh |
| IX. Distribution Cost Recovery Factor: | See Rider DCRF | per kWh |
| X. Tax Refund Factor: | See Rider TRF | per kWh |

Extra Spans: Plus \$2.77 per span of secondary line installed hereunder in excess of one span per light.

MERCURY VAPOR AND METAL HALIDE FIXTURE REPLACEMENT SCHEDULE

When existing mercury vapor or metal halide fixtures require replacement, Company will make such replacements with comparable high pressure sodium vapor or LED lighting at no cost as specified below:

| Existing Mercury Vapor Lighting : | | | Sodium Vapor Replacement : | | | Comparable LED Replacement : | |
|--|---------------|------------|-----------------------------------|---------------|------------|-------------------------------------|------------|
| <u>Wattage</u> | <u>Lumens</u> | <u>kWh</u> | <u>Wattage</u> | <u>Lumens</u> | <u>kWh</u> | <u>Wattage Range</u> | <u>kWh</u> |
| 175 | 7,900 | 70 | 100 | 9,500 | 40 | 0 – 55 | 15 |
| 400 | 21,000 | 150 | 200 | 22,000 | 80 | 101 – 140 | 45 |
| Existing Metal Halide Lighting : | | | Sodium Vapor Replacement : | | | Comparable LED Replacement : | |
| <u>Wattage</u> | <u>Lumens</u> | <u>kWh</u> | <u>Wattage</u> | <u>Lumens</u> | <u>kWh</u> | <u>Wattage Range</u> | <u>kWh</u> |
| 175 | 14,000 | 65 | 150 | 16,000 | 70 | 56 – 100 | 30 |
| 250 | 25,000 | 100 | 250 | 27,500 | 100 | 141 – 180 | 55 |
| 400 | 36,000 | 160 | 400 | 50,000 | 160 | 181 – 265 | 80 |
| 1,000 | 110,000 | 370 | 400 | 50,000 | 160 | 181 – 265 | 80 |

Retail Customer is not limited to the Comparable LED Replacement option listed above, but may choose from any LED Guard Light or Flood Light option shown in the Outdoor Lighting table. Upon replacement, Retail Customer will be billed at the applicable facilities charge and associated kWh usage for the replacement lighting.

MAINTENANCE OF FACILITIES

Company will maintain all facilities incidental to providing this service, including replacement of burned-out lamps.

Company reserves the right to discontinue service at locations where excessive maintenance and/or lamp replacements are, in Company's sole judgment, likely to or actually do occur.

REMOVAL OF EXISTING FACILITIES

Except as specified above, Company will replace existing Company-owned luminaires with any of the outdoor lighting options above or remove the existing luminaire upon request of and payment by Retail Customer in accordance with the Company's Standard Discretionary Service Charge, SD15 – Security Light Removal, for each luminaire to cover the labor cost of removal and Company's average unamortized investment in the existing luminaire. This charge is applicable to all replacements whether or not an outdoor lighting service is active or inactive or a customer change has taken or is taking place.

**Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC**

6.1.1 Delivery System Charges

Applicable: Entire Certified Service Area

Effective Date: October 8, 2018

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NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

**TARIFF FOR TRANSMISSION SERVICE
ONCOR ELECTRIC DELIVERY COMPANY LLC**

3.0 Rate Schedules
Applicable: Wholesale Transmission Service
Effective Date: July 1, 2018

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3.0 Rate Schedules

3.1 Rate NTS - Network Transmission Service

Application

Applicable, on a non-discriminatory basis, to all DSPs receiving service over Company's electric facilities rated at 60 kV and above, for delivery of electric power and energy from Generation Facilities to DSPs. This rate schedule is not applicable to service offered by the Company under another rate schedule.

Type of Service

Three phase, 60 hertz, and at Company's standard transmission voltages.

Monthly Charge

Monthly charges are determined by multiplying one-twelfth of the Annual Access Rate by the monthly DSP Utility System Demand.

Annual Access Rate

\$12,694.370383/MW

DSP's Utility System Demand is the average of the demand, expressed in kilowatts, of the DSP's retail load for the 15-minute interval that is coincident with the ERCOT system coincident peak demand for the months of June, July, August and September in the preceding calendar year.

The above rate is being implemented in accordance with the Commission's interim transmission rate update provisions of 16 Tex. Admin. Code § 25.192(h)(1).

Pricing for Transmission service for Exports from ERCOT

Export transactions are subject to Company's most recently approved FERC Tariff for Transmission Service To, From and Over Certain Interconnections ("TFO Tariff"), which may be accessed at <http://www.ongor.com> by going to "About Oncor" and then "Billing and Rate Schedules". On-peak rates apply to the months of June – September and off-peak rates apply to all other months. The export rates for Oncor are as follows:

| | On-Peak Rate \$/MW | Off-Peak Rate \$/MW |
|---------|--------------------|---------------------|
| Monthly | \$3,173.576846 | \$1,057.858949 |
| Weekly | \$732.363887 | \$244.121296 |
| Daily | \$104.336773 | \$34.778924 |
| Hourly | \$4.347366 | \$1.449122 |

Payment

Company must receive payment by the 35th calendar day after the date of issuance of the bill, unless the Company and the DSP agree on another mutually acceptable deadline, in accordance with applicable Commission Substantive Rules. Interest shall accrue on any unpaid amount in accordance with applicable Commission Substantive Rules.

Agreement

A Transmission Service Agreement is required. The applicable Interconnection Agreement is required for DSPs directly connected to Company facilities.

**TARIFF FOR TRANSMISSION SERVICE
ONCOR ELECTRIC DELIVERY COMPANY LLC**

3.0 Rate Schedules

Applicable: Wholesale Transmission Service

Effective Date: July 1, 2018

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Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the provisions of Company's Tariff for Transmission Service.

**TARIFF FOR TRANSMISSION SERVICE
ONCOR ELECTRIC DELIVERY COMPANY LLC**

3.0 Rate Schedules

Applicable: Wholesale Transmission Service

Effective Date: October 1, 2018

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3.2 Rate XFMR - Wholesale Substation Service

Application

Applicable, to all WDSCs for transformation of electric power and energy from one of Company's standard transmission voltages to one of Company's standard voltages below 60 kV, for delivery of electric power and energy from Generation Facilities to WDSCs. This rate schedule is not applicable to service offered by the Company under another rate schedule. WDSCs taking service under this rate schedule are not subject to Rate DLS.

Applicable to all transformation service supplied in connection with the delivery of electric power and energy to a Point of Interconnection, measured through one meter or through separate channels of a multi-channel meter.

Type of Service

Three phase, 60 hertz, and at Company's standard voltages. Where service of the type desired by WDSC is not already available at the Point of Interconnection, additional charges and special contract arrangements between the Company and WDSC may be required prior to its being furnished.

Monthly Rate

| | | |
|----------------------------|-------------|--------------------------------------|
| Customer Charge | \$ 105.37 | per Point of Interconnection |
| Metering Charge | \$ 252.09 | per Point of Interconnection |
| Distribution System Charge | \$ 0.256427 | per kW, billed at Annual Demand (kW) |

The monthly bill for Wholesale Substation Service is the sum of the Customer Charge, Metering Charge, the product of the Distribution System Charge and the WDSC's Annual Demand (kW), and any applicable riders.

Annual Demand (kW) is the highest 15-minute kW recorded at the Point of Interconnection in the 12-month period ended with the current month.

Payment

Company must receive payment by the 35th calendar day after the date of issuance of the bill, unless the Company and the WDSC agree on another mutually acceptable deadline, in accordance with applicable Commission Substantive Rules. Interest shall accrue on any unpaid amount in accordance with applicable Commission Substantive Rules.

Agreement

A Transmission Service Agreement is required. The applicable Interconnection Agreement is required.

Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the provisions of Company's Tariff for Transmission Service. WDSC must also comply with Oncor's Facility Connection Requirements

**TARIFF FOR TRANSMISSION SERVICE
ONCOR ELECTRIC DELIVERY COMPANY LLC**

3.0 Rate Schedules

Applicable: Wholesale Transmission Service

Effective Date: October 1, 2018

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3.3 Rate DLS - Wholesale Distribution Line Service

Application

Applicable to all WDSCs receiving distribution service supplied at one Point of Interconnection and measured through one meter necessary to support the transmission of energy for purposes of resale in accordance with Commission Substantive Rules 25.5, 25.191-25.199, 25.200-25.203 and 25.501. This rate schedule is not applicable to service offered by the Company under another rate schedule. WDSCs taking service under this rate schedule are not subject to Rate XFMR.

Type of Service

Three phase, 60 hertz, and at Company's standard primary distribution voltages (below 60 kV).

Monthly Rate

| | | |
|----------------------------|-------------|------------------------------|
| Customer Charge | \$ 80.48 | per Point of Interconnection |
| Metering Charge | \$ 226.28 | per Point of Interconnection |
| Distribution System Charge | \$ 0.738238 | per Billing kW |

The monthly bill for Wholesale Distribution Line Service is the sum of the Customer Charge, Metering Charge, the product of the Distribution System Charge and the WDSC's Billing kW, and any applicable riders.

The Billing kW applicable to the Distribution System Charge shall be the higher of the NCP kW for the current billing month or 80% of the highest monthly NCP kW established in the 11 months preceding the current billing month (80% ratchet).

Payment

Company must receive payment by the 35th calendar day after the date of issuance of the bill, unless the Company and the WDSC agree on another mutually acceptable deadline, in accordance with applicable Commission Substantive Rules. Interest shall accrue on any unpaid amount in accordance with applicable Commission Substantive Rules.

Definitions

The NCP kW applicable under the Monthly Rate section shall be the kW supplied during the 15 minute period at maximum use during the billing month.

Agreement

A Transmission Service Agreement is required. The applicable Interconnection Agreement is required.

Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Transmission Service. WDSC must also comply with Oncor's Facility Connection Requirements.

ATTACHMENT 1 – PROPOSED ORDER

**PUC DOCKET NO. 48325
SOAH DOCKET NO. 473-18-4478**

| | | |
|--|----------------------------|--|
| APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC FOR AUTHORITY TO DECREASE RATES BASED ON THE TAX CUTS AND JOBS ACT OF 2017 | § § § § | PUBLIC UTILITY COMMISSION OF TEXAS |
|--|----------------------------|--|

ORDER

This Order addresses the application of Oncor Electric Delivery Company LLC (Oncor) for authority to decrease rates based on the Tax Cuts and Jobs Act of 2017 (TCJA).¹ Among other things, the TCJA reduced the corporate income tax rate from 35% to 21%, effective January 1, 2018. Oncor filed its application to lower its rates based on the reduced tax rates of the TCJA and in compliance with the Commission’s order in Oncor’s most recent base-rate case, Docket No. 46957,² and in compliance with the Commission’s notice of approval in Oncor’s most recent transmission cost of service update, Docket No. 47988.³ Oncor filed an unopposed agreement that resolves all of the issues between the parties. The Commission approves Oncor’s decreased rates as requested in the application and as modified by the agreement, to the extent provided in this Order.

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

I. Findings of Fact

Applicant

1. Oncor provides transmission and distribution electric service in the Electric Reliability Council of Texas under certificate of convenience and necessity numbers 30152 and 30160.

¹ Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018, Pub. L. No. 115-97, 113 Stat. 2054 (Dec. 22, 2017) (Tax Cuts and Jobs Act of 2017).

² *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 46957, Order at Ordering Paragraph No. 3 (Oct. 13, 2017).

³ *Application of Oncor Electric Delivery Company LLC for Interim Update of Wholesale Transmission Rates*, Docket No. 47988, Notice of Approval at Ordering Paragraph No. 6 (Mar. 27, 2018).

ATTACHMENT 1 – PROPOSED ORDER

Application

2. On May 1, 2018, Oncor filed an application with the Commission and each of its municipal regulatory authorities to decrease its transmission and distribution rates.
3. In its application, Oncor proposed new rates and tariffs to reflect the new lower federal income tax (FIT) rate, the increase in Oncor's excess accumulated deferred federal income taxes (excess ADFIT) created by the new lower tax rate, and the appropriate amortization of the excess ADFIT.

Notice

4. On May 1, 2018, Oncor provided notice of the application to: all municipalities in Oncor's service area with original jurisdiction; all retail electric providers serving customers in Oncor's service area; all entities listed in the Commission's transmission matrix in Docket No. 47777;⁴ and to all parties in Oncor's last comprehensive base-rate proceeding, Docket No. 46957.⁵
5. On May 10, 2018, Oncor filed the affidavit of Teri Smart attesting that: Oncor filed the application with the Commission on May 1, 2018; provided notice of the application by overnight mail or hand delivery to the municipalities within Oncor's service area with original jurisdiction; provided notice by first-class mail to all retail electric providers serving customers in Oncor's service area; provided notice by first-class mail to all entities listed in the Commission's transmission matrix in Docket No. 47777; and provided notice by hand delivery, overnight mail, or first-class mail to all parties in Docket No. 46957.

Interventions

6. The following parties filed for and were granted intervenor status in this proceeding: the Office of Public Utility Counsel (OPUC); Steering Committee of Cities Served by Oncor (Cities); Alliance of Oncor Cities (AOC); City of Mission; Alliance for Retail Markets (ARM); Texas Energy Association for Marketers (TEAM); Texas Industrial Energy Consumers (TIEC); and Nucor Steel – Texas (Nucor).
7. East Texas Electric Cooperative, Inc. (ETEC) filed a late motion to intervene on July 27, 2018. No party objected to ETEC's motion and it was granted on September 5, 2018.

⁴ *Commission Staff's Application to Set 2018 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas*, Docket No. 47777.

⁵ Docket No. 46957, Order.

ATTACHMENT 1 – PROPOSED ORDER

Testimony and Statement of Position

8. In the application on May 1, 2018, Oncor filed the direct testimony and exhibits of J. Michael Sherburne and Bonnie L. Clutter.
9. On August 1, 2018, Cities filed the direct testimony and exhibits of Lane Kollen, AOC filed the direct testimony and exhibits of Constance T. Cannady, the City of Mission filed the direct testimony and exhibits of Mark E. Garrett, and ARM filed the direct testimony and exhibits of Ned Bonskowski. Also on August 1, 2018, OPUC filed a statement of position.
10. On August 8, 2018, Commission Staff filed the direct testimony and corrected direct testimony of Mark Filarowicz.
11. On September 7, 2018, Oncor filed the direct testimony and exhibits of Stephen N. Ragland in support of the agreement.
12. On September __, 2018, Commission Staff filed the supplemental testimony of Mark Filarowicz and the direct testimony of Adrian Narvaez in support of the agreement.

Evidentiary Record

13. On September 7, 2018, Oncor, Commission Staff, OPUC, Cities, AOC, City of Mission, ARM, and TEAM filed an agreement with attachments, and agreed motion to admit evidence in support of the agreement, and a request to remand the proceeding to the Commission.
14. In SOAH Order No. 5, issued on September __, 2018, the SOAH ALJs admitted the following evidence into the record:
 - a. Oncor's application filed on May 1, 2018;
 - b. the direct testimony and exhibits of Oncor witnesses J. Michael Sherburne and Bonnie L. Clutter filed on May 1, 2018;
 - c. Oncor's affidavit of notice filed on May 10, 2018;
 - d. the direct testimony and exhibits of Cities witness Lane Kollen filed on August 1, 2018;
 - e. the direct testimony and exhibits of AOC witness Constance T. Cannady filed on August 1, 2018;
 - f. the direct testimony and exhibits of City of Mission witness Mark E. Garrett filed on August 1, 2018;

ATTACHMENT 1 – PROPOSED ORDER

- g. the direct testimony and exhibits of ARM witness Ned Bonskowski filed on August 1, 2018;
- h. the direct testimony and exhibits and corrected direct testimony of Commission Staff witness Mark Filarowicz;
- i. the agreement filed on September 7, 2018;
- j. the direct testimony and exhibits in support of the agreement of Oncor witness Stephen N. Ragland; and
- k. the supplemental testimony of Commission Staff witness Mark Filarowicz in support of the agreement.

Requested Rate Decrease

- 15. In its application, Oncor requested approval of reduced transmission and distribution rates based on a reduction to annual revenues by \$181,450,105 based on the impacts of the TCJA.
- 16. In its application, Oncor requested that the Commission's final order include a September 1, 2018 effective date for Oncor's proposed changes to its tariffs and approval of its proposed refund riders be approved subject to a subsequent compliance filing by Oncor.
- 17. Oncor also requested that the Commission enter an interim order approving Oncor's proposed network transmission service rate effective July 1, 2018, subject to refund or surcharge to the extent the final approved rate differs from the interim rate.
- 18. In support of its application, Oncor presented testimony, exhibits, and workpapers regarding its calculation of the impacts of the TCJA and its proposed refund riders.
- 19. The settlement agreement includes a black-box settlement resulting in a reduction to Oncor's annual revenue requirement based on the impacts of the TCJA of \$75,042,855 for excess ADFIT and \$143,789,502 for annual FIT expense, for a total annual revenue requirement reduction of \$218,832,357.
- 20. Under the agreement, Oncor's unprotected excess ADFIT based on the impacts of the TCJA shall be returned to ratepayers over a 10-year amortization period.

ATTACHMENT 1 – PROPOSED ORDER

21. The rates in exhibit A to the agreement were calculated using Oncor's weighted average cost of capital of 7.44% as adopted in Finding of Fact No. 32 of the final order in Docket No. 46957.⁶
22. Under the agreement, a carrying charge of 3.25% shall be applied to the amount of FIT expense collected by Oncor, in excess of the amount that would have been collected based upon the impacts of the TCJA, for the period January 1, 2018, through the effective dates of the rates shown on exhibit A to the agreement. Oncor shall return this amount of FIT expense, including carrying charges, through a one-time credit applied during the December 2018 billing month beginning on November 26, 2018.
23. Under the agreement, Oncor's amortization of its protected excess ADFIT based on the impacts of the TCJA for the period January 1, 2018 through September 26, 2018, for retail and wholesale distribution rates, and through June 30, 2018, for wholesale network transmission rates, shall be returned to ratepayers over a five-year amortization period. All excess ADFIT balances will be tracked and reconciled in Oncor's next base-rate case.
24. Under the agreement, the projection of Oncor's protected excess ADFIT amortization shall be based on the average rate assumption method for the period July 1, 2018 through June 30, 2019, and will be reconciled in Oncor's next base-rate case.
25. The baseline values for Oncor's future interim rate filings, including its next distribution cost recovery factor (DCRF) update and the next interim transmission cost of service update, shall be those that result from this Order. In future proceedings, the portion of Oncor's plant-related ADFIT that has become an excess ADFIT regulatory liability based on the impacts of the TCJA shall be treated as ADFIT, and shall be updated where ADFIT is required or allowed to be updated. Oncor shall separately record, and present in applicable future proceedings, its excess ADFIT regulatory liabilities based on the TCJA as between protected and unprotected categories.
26. Under the agreement, Oncor agreed to reimburse the participating municipalities for their rate-case expenses incurred in connection with this proceeding within 30 days of the date of a signed final order in this proceeding.

⁶ *Id.* at 7.

ATTACHMENT 1 – PROPOSED ORDER

27. Under the agreement, Oncor agreed to provide a market notice to retail electric providers (REPs) of the proposed interim rates shown on exhibit A to the agreement upon the filing of the agreed motion for interim rates and a subsequent market notice to REPs of the approved interim rates upon their approval.

Informal Disposition

28. More than 15 days have passed since completion of the notice provided in this docket.
29. This docket does not contain any remaining contested issues of fact or law.

Municipal Proceedings

30. On May 1, 2018, Oncor filed its application to decrease rates with each of the municipalities within its service area that had not ceded jurisdiction to the Commission.
31. On June 7, 2018, Oncor filed a petition for review and motion to consolidate the decisions of the municipalities that had not ceded jurisdiction to the Commission.
32. In Order No. 9, issued June 12, 2018, the Commission granted Oncor's petition for review and consolidated the appeals into this docket.

Procedural History

33. On June 26, 2018, the Commission referred Oncor's application to SOAH for assignment of an ALJ to conduct a hearing and issue a proposal for decision, if necessary.
34. In SOAH Order No. 1 issued on June 29, 2018, the SOAH ALJs described the case, established deadlines for objections to the proposed notice and for filing a motion concerning the sufficiency of the application, set a prehearing conference for July 9, 2018, adopted a proposed protective order filed with the application, and established other general filing and service procedures.
35. On July 9, 2018, SOAH held a prehearing conference at which the following parties appeared: Oncor, Commission Staff, Cities, AOC, ARM, and City of Mission.
36. On July 11, 2018, Oncor filed on behalf of itself and the parties an agreed procedural schedule.
37. In SOAH Order No. 2 issued on July 13, 2018, the SOAH ALJs memorialized the prehearing conference, adopted the agreed procedural schedule, and provided notice that the hearing on the merits would be held on September 4, 2018.

ATTACHMENT 1 – PROPOSED ORDER

38. On July 26, 2018, the Commission issued a preliminary order in this proceeding.
39. On August 18, 2018, Oncor filed a letter announcing that the parties of record reached a settlement in principle and requested abatement of the procedural schedule to allow the parties to finalize the settlement.
40. TIEC, Nucor, and ETEC are not opposed to the agreement.
41. In SOAH Order No. 3 issued August 21, 2018, the SOAH ALJs granted the requested abatement of the procedural schedule.
42. On September 7, 2018, Oncor filed a motion to admit evidence and remand the case to the Commission.
43. In SOAH Order No. 5 issued September __, 2018, the SOAH ALJs admitted evidence, remanded the case to the Commission, and dismissed the SOAH docket.
44. On September 7, 2018, Oncor filed an agreed motion for interim rates and represented that the parties to this proceeding either support or do not oppose the agreed motion. The parties agreed that the rates in exhibit A to the agreement should be effective on and after October 8, 2018, subject to surcharge or refund if the rates ultimately established differ from the interim rates.
45. On September __, 2018, the Commission granted the agreed motion and authorized interim rates beginning October 8, 2018, subject to surcharge or refund.

II. Conclusions of Law

1. Oncor is an public utility as defined in PURA⁷ § 11.004(1) and an electric utility as defined by PURA § 31.002(6).
2. The Commission has jurisdiction over this matter under PURA §§ 14.001, 32.001, 33.001, 33.002, 33.051, and 35.004.
3. SOAH exercised jurisdiction over this matter under PURA § 14.053 and Texas Government Code § 2003.049(b).

⁷ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-58.302 (West 2016 & Supp. 2017), §§ 59.001-66.016 (West 2007 & Supp. 2017) (PURA).

ATTACHMENT 1 – PROPOSED ORDER

4. The Commission processed this docket in accordance with the requirements of PURA, the Administrative Procedure Act,⁸ and Commission rules.
5. The rates established by this Order are just and reasonable under PURA § 36.003(a).
6. In accordance with PURA § 36.003(b), the rates established by this Order are not preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application of each class of customer.
7. The rates established by this Order establish the utility's overall revenue at a level that will provide the utility a reasonable opportunity to earn a reasonable return as required by PURA § 36.051.
8. 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 orders:

1. The Commission approves Oncor's application, as modified by the agreement, to the extent provided in this Order.
2. The Commission approves the tariff schedules attached as exhibit A to the agreement.
3. Oncor may request recovery of its and any participating municipality's rate-case expenses incurred in this proceeding in a future rate proceeding, or Oncor may request to collect those expenses through a separate surcharge. Any rate-case expenses in connection with this proceeding shall be subject to a final determination by the Commission as to the reasonableness and necessity of those expenses.
4. The Commission makes no determinations in this docket regarding the reasonableness of the rate-case expenses of the participating municipalities or of Oncor. The Commission shall make determinations regarding the reasonableness of those expenses in a future docket.

⁸ Tex Gov't Code Ann. §§ 2001.001-.902 (West 2016 & Supp. 2017).

ATTACHMENT 1 – PROPOSED ORDER

5. Oncor shall use as the baseline values for its future interim rate filings, including its next DCRF update and next interim transmission cost of service update, those that result from this Order.
6. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and shall not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
7. Within 10 days of the date of this Order, Oncor shall file with the Commission a clean copy of the approved tariff schedules to be stamped approved and retained by Central Records.
8. All other motions and any other requests for general or specific relief, if not expressly granted in this Order, are denied.

SIGNED AT AUSTIN, Texas on the _____ day of September, 2018.

PUBLIC UTILITY COMMISSION OF TEXAS

DEEANN T. WALKER, CHAIRMAN

ARTHUR C. D'ANDREA, COMMISSIONER

SHELLY BOTKIN, COMMISSIONER