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PUBLIC UTILITY COMMISSION
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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**AGREED NOTICE OF VIOLATION §
AND SETTLEMENT AGREEMENT §
RELATING TO ONCOR ELECTRIC §
DELIVERY COMPANY LLC'S §
VIOLATION OF PURA § 39.151(j), 16 §
TAC § 25.503(f)(2), AND ERCOT §
TELEMETRY STANDARDS §§ 3.2.1 §
AND 4.6.1 §**

APPLICATION FOR APPROVAL OF SETTLEMENT AGREEMENT

Staff of the Public Utility Commission of Texas (Commission) and Oncor Electric Delivery Company LLC (Oncor) (individually a party and collectively, parties) enter into this settlement agreement and Report to Commission (agreement). This agreement resolves and concludes Commission Staff's investigation of Oncor for alleged violations of the Public Utility Regulatory Act¹ (PURA) § 39.151(j), 16 Texas Administrative Code (TAC) § 25.503(f)(2), and Electric Reliability Council of Texas (ERCOT) Telemetry Standards §§ 3.2.1 and 4.6.1.

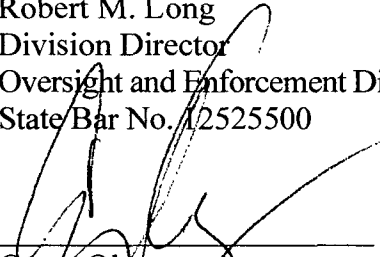
Staff respectfully requests that the Parties' Application for Approval of Settlement Agreement be granted.

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001—66.016 (PURA).

DATE: April 16, 2019

Respectfully Submitted,

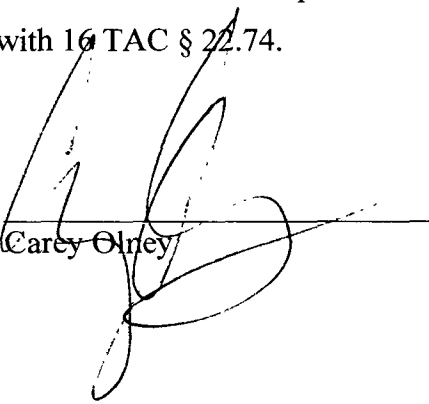
Robert M. Long
Division Director
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(512) 936 - 7065
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Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 2nd day of April, 2019, in accordance with 16 TAC § 22.74.



Carey Olney

DOCKET NO. _____

AGREED NOTICE OF VIOLATION	§	
AND SETTLEMENT AGREEMENT	§	
RELATING TO ONCOR ELECTRIC	§	
DELIVERY COMPANY LLC'S	§	PUBLIC UTILITY COMMISSION
VIOLATION OF PURA § 39.151(j), 16	§	
TAC § 25.503(f)(2), AND ERCOT	§	OF TEXAS
TELEMETRY STANDARDS §§ 3.2.1	§	
AND 4.6.1	§	

SETTLEMENT AGREEMENT AND REPORT TO COMMISSION

Staff of the Public Utility Commission of Texas (Commission) and Oncor Electric Delivery Company LLC (Oncor) (individually a party and collectively, parties) enter into this settlement agreement and Report to Commission (agreement). This agreement resolves and concludes Commission Staff's investigation of Oncor for alleged violations of the Public Utility Regulatory Act¹ (PURA) § 39.151(j), 16 Texas Administrative Code (TAC) § 25.503(f)(2), and Electric Reliability Council of Texas (ERCOT) Telemetry Standards §§ 3.2.1 and 4.6.1.

The parties agree as follows:

1. The parties stipulate to the facts contained in the attached Proposed Order and request approval of the Order by the Commission.
2. The Commission has jurisdiction over this matter under PURA §§ 14.001, 14.002, 14.003, 14.051, 15.023, 15.024, and 39.151(j).
3. Commission Staff recommends an administrative penalty and Oncor agrees to pay \$75,000 for Oncor's violations of PURA § 39.151(j), 16 TAC § 25.503(f)(2), and ERCOT Telemetry Standards §§ 3.2.1 and 4.6.1. These violations are Class A violations under 16 TAC § 25.8(b)(3)(B).
4. Under PURA § 39.151(j), Oncor must observe all scheduling, operating, planning, reliability, and settlement policies, rules, guidelines, and procedures established by the independent system operator in ERCOT or be subject to revocation, suspension, or amendment of a certificate, or the imposition of an administrative penalty.
5. 16 TAC § 25.503(f)(2) requires Oncor to comply with ERCOT procedures.
6. ERCOT Telemetry Standard § 3.2.1 requires that 92% of all telemetry provided to ERCOT must achieve a quarterly availability of 80%.

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001—66.016 (PURA).

7. ERCOT Telemetry Standard § 4.6.1 requires that 92% of the “important telemetry” defined by ERCOT must achieve a quarterly availability of 90%.
8. On May 4, 2017, Oncor performed routine database updates to add additional elements to its Transmission Management System (TMS) environment. Those updates exceeded a previously unknown hardcoded limit on the number of elements allowed in the TMS software, which caused a buffer to fill up on the primary server at the Main site. The secondary server at the Main site and the Disaster Recovery primary and secondary servers experienced the same problem.
9. As a result, ERCOT began to receive incorrect telemetry data from Oncor.
10. Oncor restored the correct telemetry to ERCOT within nine hours.
11. Oncor failed both the “Quarterly Important Telemetry Availability Report” as well as the “Quarterly Telemetry Point Availability Statistics Report.” Each of the two telemetry performance metrics requires a score of 92% or better to pass. According to the revised reports for the 2nd quarter of 2017, Oncor received a score of 86.26% on the Quarterly Important Telemetry Availability Report and a score of 90.93% on the Quarterly Telemetry Point Availability Statistics Report.
12. PURA § 15.023 authorizes the Commission to impose an administrative penalty against a person who violates PURA or a rule or order adopted under PURA. The Commission may assess a penalty of up to \$25,000, per violation, for Class A violations.
13. To prevent future violations, Commission Staff recommends, and Oncor agrees to pay, an administrative penalty of seventy-five thousand dollars (\$75,000) in full and final settlement of the alleged violations described in the attached Proposed Order.
14. This agreement resolves certain issues related to Oncor’s obligations under PURA § 39.151(j) and 16 TAC § 25.503(f)(2), concerning compliance with ERCOT Telemetry Standards §§ 3.2.1 and 4.6.1 related to quarterly availability of telemetry.
15. Unless specifically provided for in this agreement, Oncor waives any notice and procedures that might otherwise be authorized or required in this proceeding.
16. Except as provided for herein, nothing in this agreement limits Commission Staff’s ability to perform its enforcement functions as set forth in PURA and the Commission’s rules.
17. A party’s support of the resolution of this docket in accordance with this agreement may differ from its position or testimony regarding contested issues of law, policy, or fact in

other proceedings before the Commission or other forums. This agreement represents a compromise of claims and allegations, and the execution of this agreement does not admit the truth or accuracy of any such disputed claims. Because this is a settlement agreement, a party is under no obligation to take the same position as set out in this agreement in other proceedings not referenced in this agreement whether those dockets present the same or a different set of circumstances. The parties' agreement to entry of a final order of the Commission as required under this agreement should not be regarded as an agreement as to the appropriateness or correctness of any assumptions, methodology, or legal or regulatory principle that may have been employed in reaching this agreement.

18. The parties contemplate that this agreement will be approved under 16 TAC § 22.246(h)(1)(C). In the event the Commission materially changes the terms of this agreement, the Parties agree that any party adversely affected by that material alteration has the right to withdraw from this agreement, thereby becoming released from its obligations arising hereunder, and to proceed as otherwise permitted by law to exercise all rights available under law. The right to withdraw must be exercised by providing the other party written notice within 20 calendar days of the date the Commission files the final order acting on this agreement. Failure to provide such notice within the specified time period constitutes a waiver of the right to withdraw and acceptance of the material changes to this agreement made by the Commission.
19. This agreement is the final and entire agreement between the parties regarding its terms and supersedes all other communications between the parties or their representatives regarding its terms.
20. Each party executing this agreement represents that he or she has been authorized to sign on behalf of the party represented. Copies of signatures are valid to show execution. If this agreement is executed in multiple counterparts, each is deemed an original but all of which constitute the same agreement.
21. Each party warrants that it has read this agreement carefully, knows the contents thereof, and signs the same as its free act.

EXECUTED by the Parties by their authorized representatives designated below.

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Date: *4/16/12*

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Austin, Texas 78711-3326
carey.olney@pucc.texas.gov

Date: *4/16/12*

DOCKET NO. _____

AGREED NOTICE OF VIOLATION	§	
AND SETTLEMENT AGREEMENT	§	
RELATING TO ONCOR ELECTRIC	§	
DELIVERY COMPANY LLC'S	§	PUBLIC UTILITY COMMISSION
VIOLATION OF PURA § 39.151(j), 16	§	
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TELEMETRY STANDARDS §§ 3.2.1	§	
AND 4.6.1	§	

PROPOSED ORDER

This Order approves the settlement agreement (agreement) between Commission Staff and Oncor Electric Delivery Company LLC (Oncor) regarding Commission Staff's investigation of Oncor for violations of PURA² § 39.151(j) and 16 Texas Administrative Code (TAC) § 25.503(f)(2), concerning compliance with ERCOT Telemetry Standards §§ 3.2.1 and 4.6.1 relating to quarterly availability of telemetry. The agreement also serves as a report to the Commission under 16 TAC § 22.246(h). The agreement certain issues among the parties. Commission Staff recommended, and Oncor agreed to pay, an administrative penalty of \$75,000. The Commission approves the agreement.

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

I. Findings of Fact

Respondent

1. Oncor is a Transmission Service Provider (TSP), as that term is defined by ERCOT Nodal Protocols § 2.1.

Violations

2. On May 4, 2017, Oncor performed routine database updates to add additional elements to its Transmission Management System (TMS) environment. Those updates exceeded a previously unknown hardcoded limit on the number of elements allowed in the TMS software, which caused a buffer to fill up on the primary server at the Main site. The

² Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.017 (PURA).

secondary server at the Main site and the Disaster Recovery primary and secondary servers experienced the same problem.

3. As a result, ERCOT began to receive incorrect telemetry data from Oncor.
4. Oncor restored the correct telemetry to ERCOT within nine hours.
5. Oncor failed both the “Quarterly Important Telemetry Availability Report” as well as the “Quarterly Telemetry Point Availability Statistics Report.” Each of the two telemetry performance metrics requires a score of 92% or better to pass. According to the revised reports for the 2nd quarter of 2017, Oncor received a score of 86.26% on the Quarterly Important Telemetry Availability Report and a score of 90.93% on the Quarterly Telemetry Point Availability Statistics Report.

Notice

6. On or about October 12, 2018, Commission Staff provided Oncor notice of its investigation in this matter, the results of the investigation, information about its rights to a hearing, and an opportunity to explain its activities.

Agreement

7. Oncor fully cooperated with Commission Staff’s investigation.
8. Oncor acknowledged the basis for the violations alleged by Commission Staff as detailed in this Order.
9. Oncor acknowledged that it failed to meet the metrics detailed in this Order for the second quarter of 2017.
10. Oncor indicated that it has made changes to prevent future violations of the same nature.
11. Oncor participated in one or more settlement discussions with Commission Staff to resolve this matter.
12. On April 16, 2019, the parties entered into the agreement resolving the alleged violations. Commission Staff recommended, and Oncor agreed to pay, an administrative penalty of \$75,000.
13. On April 16, 2019, Commission Staff filed a copy of the executed agreement with the Commission’s filing clerk.

Informal Disposition

14. At least 15 days have passed since the completion of all notice requirements.
15. Oncor and Commission Staff are the only parties to this proceeding.

16. No party requested a hearing.
17. The agreement is not adverse to either party.
18. The agreement provides for a reasonable resolution of this dispute.

II. Conclusions of Law

1. The Commission has jurisdiction over this matter under PURA §§ 14.001, 14.002, 14.003, 14.051, 15.023, 15.024, and 39.151(j).
2. Oncor is a Transmission Service Provider (TSP) as that term is defined by ERCOT Nodal Protocols § 2.1.
3. Oncor violated ERCOT Telemetry Standards §§ 3.2.1 and 4.6.1, 16 TAC § 25.503(f)(2), and PURA § 39.151(j) by failing to provide telemetry to ERCOT that met the availability metrics listed in the subject Telemetry Standards.
4. The violations of PURA § 39.151(j) and 16 TAC § 25.503(f)(2), described herein, are Class A violations under 16 TAC § 25.8(b)(3)(B).
5. 16 TAC § 22.246(g)(1) requires issuance of a report of a settlement to the Commission and a written order that approves the settlement.
6. The agreement is a report of settlement to the Commission as required by 16 TAC § 22.246(g).
7. This docket was processed in accordance with applicable statutes and Commission rules.
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 order:

1. The Commission approves the agreement.
2. Oncor must comply with the terms of the agreement and this Order.
3. Oncor must pay an administrative penalty to the Commission in the amount of \$75,000. Oncor must remit payment of the full amount of the administrative penalty on or before thirty (30) calendar days after the date this Order is signed. Payment of the administrative penalty may be made by check payable to the Public Utility Commission of Texas and

must reference this docket. If paying by check, the check must be sent to the following address:

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

4. Oncor must file an affidavit of payment in this docket no later than five calendar days after the payment is made.
5. Oncor is subject to additional action or penalties for violations that are not raised in the agreement or addressed in this Order.
6. This Order disposes of all issues regarding Oncor's failure to meet the metrics related to quarterly availability of telemetry under PURA, the Commission's Substantive Rules, and ERCOT Nodal Protocols through the date of this agreement.
7. The Commission must not be constrained in any manner from requiring additional action or penalties for violations that are not raised here.
8. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement. Entry of this Order must not be regarded as a binding holding or precedent as to the appropriateness of any principle or methodology underlying the agreement.
9. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other request for general or specific relief, if not expressly granted herein, are denied.

SIGNED AT AUSTIN, TEXAS the _____ day of _____, 2019.

PUBLIC UTILITY COMMISSION OF TEXAS

DEANN T. WALKER, CHAIRMAN

ARTHUR C. D'ANDREA, COMMISSIONER

SHELLY BOTKIN, COMMISSIONER