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

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

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

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

I. Written Responses

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

II. Inspections

In those instances where materials are to be made available for inspection by request or in lieu of a written response, the attached response will so state. For those materials that a response indicates are voluminous, materials will be provided in electronic format through an Oncor FTP file sharing site upon request. Requests for voluminous materials should be directed to Regulatory@oncor.com. To review materials that a response indicates may be inspected at their usual repository, please call Joni Price at 214-486-2844. Inspections will be scheduled so as to accommodate all such requests with as little inconvenience to the requesting party and to company operations as possible.

Respectfully submitted,

ONCOR ELECTRIC DELIVERY COMPANY LLC

By: */s/ Tab R. Urbantke*

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CERTIFICATE OF SERVICE

It is hereby certified that a copy of the foregoing has been served by email on all parties of record who have provided an email address, on this the 18th day of July, 2022, in accordance with the Commission's Second Order Suspending Rules issued on July 16, 2020, in Project No. 50664.

/s/ Tab R. Urbantke

Request

Refer to the Direct Testimony of Matthew A. Troxle at 3-4 and the workpapers to Schedule II-1-1. Please explain if Oncor has applied an allocation factor to any FERC account that is different from the factor used to allocate that account in Oncor's last rate filing. If so, please identify the FERC account and the previous and proposed allocation factors.

Response

The following response was prepared by or under the direct supervision of Matthew A. Troxle, the sponsoring witness for this response.

Allocation factors assigned to FERC accounts in this Docket No. 53601 have not changed from Oncor’s last base-rate filing, Docket No. 46957.

Request

Refer to the Direct Testimony of Matthew A. Troxle at 11-12. Please explain if the factors used to allocate to rate classes 1) the adjustment to Other Revenue resulting from power factor billing, 2) discretionary service charge revenue, and 3) miscellaneous revenue and forfeited discount are different from the factors approved to allocate those revenues in Oncor's last rate filing, and if so, identify the previous allocation factors.

Response

The following response was prepared by or under the direct supervision of Matthew A. Troxle, the sponsoring witness for this response.

The allocation methodology used for (1) the adjustment to Other Revenue resulting from power factor billing, (2) discretionary service charge revenue, and (3) miscellaneous revenue and forfeited discount has not changed from Oncor's last base-rate filing, Docket No. 46957.

Request

Refer to the Direct Testimony of Matthew A. Troxle at 15-16. Please provide a schedule comparing the current and proposed rates by component by class.

Response

The following response was prepared by or under the direct supervision of Matthew A. Troxle, the sponsoring witness for this response.

The information comparing the current and proposed rates by component by class may be found in the Application of Oncor Electric Delivery Company LLC for Authority to Change Rates, Schedule IV-J-7, Page 1 of 19, Bates Stamp Page 3726. For the individual light types in the Lighting Class, a copy of the Tariff for Retail Delivery Service at present rates is attached. The proposed rates by individual light types in the Lighting Class may be found in the Application of Oncor Electric Delivery Company LLC for Authority to Change Rates, WP/IV-J-7-1, pages 6-14, Bates Stamp Pages 4934-4942.

ATTACHMENT:

ATTACHMENT 1 – Tariff for Retail Delivery Service, 6.1.1.1.8 Lighting Service, 9 pages.

Request

Refer to the Direct Testimony of Matthew A. Troxle at 23-24. Please provide a list of the customers that comprise the "LF Group."

Response

The following response was prepared by or under the direct supervision of Matthew A. Troxle, the sponsoring witness for this response.

The information requested is voluminous and highly sensitive confidential information and will be made available on the Oncor FTP site upon request only after execution of a certification to be bound by the protective order in this docket. An index of the voluminous and highly sensitive confidential information is included in Attachment 1.

The load factor group is comprised of Secondary Service Greater Than 10 kW customers with demand greater than 20 kW and an annual load factor of 25% or less.

ATTACHMENT:

ATTACHMENT 1 – Voluminous Highly Sensitive Confidential Index, 1 page.

VOLUMINOUS HIGHLY SENSITIVE CONFIDENTIAL INDEX

1. Oncor Electric Delivery Company, Load Factor (LF Group), 2021, 1,075 Pages.

Request

Refer to the Direct Testimony of Matthew A. Troxle at 23-24. Please provide the revenue impact of eliminating the demand ratchet on the LF Group with supporting workpapers.

Response

The following response was prepared by or under the direct supervision of Matthew A. Troxle, the sponsoring witness for this response.

There is no revenue impact from eliminating the demand ratchet. The class revenue requirement is the same with or without the demand ratchet.

Request

Refer to the Direct Testimony of Matthew A. Troxle at 27-28. For all Schedule A Non-LED lights, please provide the actual installed costs and allocated maintenance costs instead of the equivalent cost of LED lights.

Response

The following response was prepared by or under the direct supervision of Matthew A. Troxle, the sponsoring witness for this response.

The requested information does not exist.

The installed cost of a non-LED street light is generally lower than that of a comparable LED street light due to the higher cost of the LED luminaire. In contrast, the maintenance costs for a non-LED street light are generally higher than that of a comparable LED street light due to the shorter life expectancy of a non-LED luminaire.

Please refer to page 27, line 18 through page 28, line 2 of the Direct Testimony of Mr. Matthew A. Troxle for an explanation of why the installed costs and the maintenance costs of LED street lights are a suitable proxy for non-LED lights from a rate design standpoint.

Request

Refer to the Direct Testimony of Matthew A. Troxle at 29. Please provide support for Mr. Troxle's claim that the future availability of sodium vapor lights (or High Pressure Sodium) will be curtailed (and ultimately ended) as light manufacturers opt to close down aging sodium vapor light production lines as they break down rather than investing in new production equipment or expensive repairs.

Response

The following response was prepared by or under the direct supervision of Matthew A. Troxle, the sponsoring witness for this response.

The full context of the above citation is shown on page 29, lines 3-18 of Mr. Troxle's Direct Testimony. It should be noted that this testimony supports the provision found on page 84 of the proposed Tariff for Retail Delivery Service, which reads as follows:

> *At the Company's sole discretion, it may determine that a specific lamp type is no longer commercially available under reasonable terms. When the Company makes such a determination, the option to utilize that specific lamp type for new installations, replacements, or conversions will terminate, and service will be provided under an alternative lamp type from that point forward.*

Oncor will offer sodium vapor lights for as long as they are available, but the Company simply cannot provide new or replacement lights of a type and/or wattage that it does not have in inventory and cannot buy at a reasonable price. The inclusion of the above language in the proposed tariff will obviate the need for a future tariff revision when sodium vapor lights are no longer available.

Mr. Troxle's testimony reflects the following realities of the commercial street lighting industry:

(1) the growing dominance of LED street lights in the current commercial market for street lighting and outdoor lighting products and the industry projections that this trend will continue in the future;
(2) the Company's experience related to the total lack of commercially available mercury vapor and metal halide street lights; and
(3) the eventuality that sodium vapor street lighting products will no longer be commercially available at some unspecified future date - a date that may occur soon and with little warning.

The following discussion summarizes information received during a telephone conversation in early 2022 between an Oncor employee and a representative of a major street light supplier:

The primary trends impacting availability of High Pressure Sodium ("HPS") are the significant overall reduction in demand of these products, which in turn leads to a reduction of suppliers who are actually making ballasts, lamps, housings and all components of an existing HPS luminaire. No one is investing in HPS as a technology or in any new HPS luminaires or components. The cost of components continues to increase as the volumes are less than 20% of what they once were six years ago. Products that are currently available will have tooling (castings) that are aging and will break down and will not be replaced, and many companies making ballasts and lamps and other components are leaving the business. We continue to support HPS with our existing portfolio, but expect that specific product discontinuation will occur and accelerate over the next one to two years due to component unavailability, significantly higher costs, and an overall lack of demand.

Request

Refer to the Direct Testimony of Matthew A. Troxle at 30. Please provide a schedule comparing the current and proposed discretionary service charges.

Response

The following response was prepared by or under the direct supervision of Matthew A. Troxle, the sponsoring witness for this response.

The requested information is attached.

ATTACHMENT:

ATTACHMENT 1 – Comparison of current and proposed discretionary service charges, 5 pages.

The following files are not convertible:

4-08_Discretionary Service Charges Current and Proposed.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.

Request

Refer to the Direct Testimony of Matthew A. Troxle at 30-32. Please explain if Oncor anticipates any revenue impacts associated with its proposed changes to the Tariff for Retail Delivery Service. If so, please provide workpapers supporting the impacts.

Response

The following response was prepared by or under the direct supervision of Matthew A. Troxle, the sponsoring witness for this response.

At this time, Oncor does not anticipate any revenue impacts in the sense that none of the proposed tariff changes should produce a new revenue stream. However, revenue could be impacted if an existing or future customer receives service differently than if they otherwise would have under the current tariff. No analysis or workpapers of the expected impacts of the tariff changes exist, as it is impossible to predict future behavior. Oncor has no estimates for how often the proposed tariff provisions will be utilized.

Request

Refer to the Direct Testimony of Ashley Thenmadathil at 9. Please provide workpapers supporting the known and measurable adjustments to Schedule II-B-8.

Response

The following response was prepared by or under the direct supervision of Ashley Thenmadathil, the sponsoring witness for this response.

Please refer to the direct testimony of Mr. Thenmadathil on page 8, lines 6-11 (Bates pages 1290) where he discusses this known and measurable adjustment that relates to certain October through December 2021 inventory items that were erroneously miscoded and, therefore, mistakenly booked into two separate inventory accounts simultaneously. The known and measurable change in the amount of $2,479,259.82 removes those duplicate entries.

Please see Attachment 1 to this response for details supporting this known and measurable adjustment to Schedule II-B-8.

ATTACHMENT:

ATTACHMENT 1 – Known and Measurable II-B-8, 1 page.

The following files are not convertible:

4-10Att1_K&M.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.

Request

Refer to the Direct Testimony of Ashley Thenmadathil at 9. Schedule II-B-8 shows that the Materials & Supplies ("M&S") balance increased from $127.0 million at the beginning of the 13-month period to $149.7 million at the end of the period. Please explain the purpose for Oncor increasing its M&S inventory by almost $23 million from the beginning to the end of the period.

Response

The following response was prepared by or under the direct supervision of Ellen E. Buck, Keith Hull, Ashley Thenmadathil, and Wesley R. Speed, the sponsoring witnesses for this response.

The Company's increase in M&S inventory during the period was primarily driven by: (i) inflation related to commodity pricing that significantly impacted the cost of materials and supplies; and (ii) a high rate of economic growth in Oncor's service territory that has driven the need for additional M&S to facilitate the required investment in transmission and distribution infrastructure. Industry-wide supply shortages that occurred during this time exposed Oncor and other utilities to the enhanced risk of not being able to procure necessary material in a timely manner. This issue has proven to be not just a momentary problem, but one that is pervasive and continuing today. Because of this, Oncor has increased its M&S inventory. One mitigating strategy Oncor has utilized is bulk purchasing to combat longer lead times and volatility in the uncertain 2021 and current supply chain environments. These inventory measures helped Oncor successfully manage risk by ensuring that Oncor had sufficient inventory to supply all projects and customer needs without material-related shortages. As stated above, these same industry pressures exist today and are expected to continue into the future, thus making increases in M&S necessary and prudent for future planning.

Request

Refer to the Direct Testimony of Ashley Thenmadathil at 9. Please provide workpapers supporting the non-regulated or non-electric adjustments to Schedule II-B-10.

Response

The following response was prepared by or under the direct supervision of Ashley Thenmadathil, the sponsoring witness for this response.

Please see Attachment 1 to this response for the non-regulated or non-electric adjustments to Schedule II-B-10. These prepaid amounts include lobbying activities costs that are included as part of the annual membership dues billed to Oncor; therefore, the amounts relating to lobbying activities have been properly determined and excluded from the prepayment for preparation of the Company's cash working capital study.

ATTACHMENT:

ATTACHMENT 1 – Lobbying Activity, 1 page.

The following files are not convertible:

4-12_Att 1.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.

Request

Refer to the Direct Testimony of Ashley Thenmadathil at 10. Please provide the basis for the increase in cyber insurance costs as of November 30, 2021 shown on WP II-B-10.

Response

The following response was prepared by or under the direct supervision of Ashley Thenmadathil and Kevin R. Fease, the sponsoring witnesses for this response.

The increase in the prepaid balance of cyber insurance as of November 30, 2021 is due to change in the annual renewal period for the policy from an April annual renewal date to an October annual renewal date. The previous policy covered the period beginning on April 24, 2020 and ending on April 24, 2021. An interim 6-month policy began on April 24, 2021 and provided coverage through October 24, 2021. Finally, the new 12-month policy was issued for the period beginning October 24, 2021 through October 24, 2022, resulting in an increase to the unamortized prepaid balance.

Request

Refer to the Direct Testimony of Ashley Thenmadathil at 10. Please provide the basis for the increase in I/T - Hardware costs as July 31, 2021 shown on WP II-B-10. Also explain why I/T Hardware costs are an inventory item and not a plant in service item.

Response

The following response was prepared by or under the direct supervision of Ashley Thenmadathil and Malia A. Hodges, the sponsoring witnesses for this response.

The increase in the prepaid balance for I/T – Hardware costs on July 31, 2021, as shown on WP II-B-10, is due to the purchase of vendor maintenance agreements to support various types of equipment/hardware used for Oncor's telecommunications network and data center.

The I/T Hardware costs are a prepaid item on WP II-B-10, not an inventory item.

The I/T Hardware costs recorded as a prepaid item are not purchases of hardware. These costs are the cost of the maintenance agreements with the vendors who supplied the hardware. Like the software maintenance agreements described on page 12 in Mr. Thenmadathil's direct testimony, these service agreements for hardware maintenance and support are for multi-year terms and are, therefore, recorded as a prepaid item and amortized over the term of the agreement.

Request

Refer to the Direct Testimony of Ashley Thenmadathil at 10. Please provide the term for each of the longer-term prepayment arrangements shown on WP II-B-10:

AMS- I/T
I/T - Hardware
I/T - Threat Monit, Resp & Def
I/T - Software
I/T Network

Response

The following response was prepared by or under the direct supervision of Ashley Thenmadathil and Malia A. Hodges, the sponsoring witnesses of this response.

Please see Attachment 1 to this response or the term for each of the longer-term prepayment arrangements shown on WP II-B-10.

ATTACHMENT:

ATTACHMENT 1 – Long-Term Prepayment – Term, 1 page.

The following files are not convertible:

4-15_Attachment1LongTermPrepayment-Term.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.

Request

Refer to the Direct Testimony of Ashley Thenmadathil at 12-13. Please explain the source of the interest paid on customer deposits. If interest is paid by ratepayers, please explain why ratepayers do not receive the benefit of the cash held as deposits to reduce working capital.

Response

The following response was prepared by or under the direct supervision of W. Alan Ledbetter and Ashley Thenmadathil, the sponsoring witnesses for this response.

Interest paid on customer deposits is based on the rate established by the Commission and these costs are recovered from ratepayers, offset by any interest income that has been earned on deposits that have been held in escrow. As shown on workpaper WP/II-E-4 (Bates page 4681), ratepayers receive the benefit of these earnings on restricted cash held in escrow.