



Control Number: 55525



Item Number: 1

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APPLICATION OF ONCOR §  
ELECTRIC DELIVERY COMPANY §  
LLC FOR APPROVAL TO AMEND §  
ITS DISTRIBUTION COST §  
RECOVERY FACTOR §  
§

BEFORE THE  
PUBLIC UTILITY COMMISSION  
OF TEXAS

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APPLICATION OF ONCOR	§	
ELECTRIC DELIVERY COMPANY	§	BEFORE THE
LLC FOR APPROVAL TO AMEND	§	PUBLIC UTILITY COMMISSION
ITS DISTRIBUTION COST	§	OF TEXAS
RECOVERY FACTOR	§	

**APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC FOR  
APPROVAL TO AMEND ITS DISTRIBUTION COST RECOVERY FACTOR**

Oncor Electric Delivery Company LLC (“Oncor” or “Company”) files this Application for Approval to Amend its Distribution Cost Recovery Factor (“DCRF”) under Section 36.210 of the Public Utility Regulatory Act<sup>1</sup> and 16 Tex. Admin. Code (“TAC”) § 25.243 (“Application”). In support of this Application, Oncor respectfully shows as follows:

**I. INTRODUCTION AND REQUEST**

Oncor’s most recent comprehensive base-rate proceeding was Docket No. 53601, which was based on a 2021 calendar test year.<sup>2</sup> This filing uses the DCRF baseline values approved in Docket No. 54817 (the compliance docket associated with Docket No. 53601) and requests an update to Oncor’s current Rider DCRF and Rider Wholesale Distribution Cost Recovery Factor (“WDCRF”) to include additional distribution invested capital placed in service from January 1, 2022 through June 30, 2023. This is the sixth DCRF filing for Oncor and its second DCRF filing since Oncor’s most recent base-rate case, Docket No. 53601. Oncor’s most recent DCRF filing, Docket No. 55190, reflected the period of January 1, 2022 through December 31, 2022, and resulted in the implementation of Oncor’s current DCRF rates on September 1, 2023, on an interim basis, as approved by the Public Utility Commission of Texas’s (“Commission”) Chief Administrative Law Judge’s Order No. 2 filed on July 17, 2023.<sup>3</sup>

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<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (“PURA”).

<sup>2</sup> *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 53601, Order on Rehearing (Jun. 30, 2023).

<sup>3</sup> *Application of Oncor Electric Delivery Company LLC for Approval to Amend its Distribution Cost Recovery Factor and Update Mobile Generation Riders*, Docket No. 55190, Order No. 2 Granting Motions to Intervene, and Granting Unopposed Motion by Approving Interim Rates at 2 (Jul. 17, 2023).

As of the date on which this Application was prepared, Docket No. 55190 is still pending at the Commission.

As detailed below and in Oncor's testimony, exhibits, and workpapers, Oncor invested \$1,768,127,458 in net distribution system invested capital booked in FERC Accounts 303, 352, 353, 360-374, 391, and 397 during the period January 1, 2022 through June 30, 2023. The Company's total distribution revenue requirement associated with allowed return, depreciation, income and other taxes on its incremental net distribution invested capital during that period is \$232,139,195. Adjusted for distribution revenue growth of \$23,093,830, the total incremental distribution revenue requirement is \$209,045,365. Compared to the incremental revenue requirement of \$152,777,465 proposed by Oncor in Docket No. 55190 and reflected in approved interim rates in that docket, this filing seeks to increase the Company's total distribution revenue requirement by approximately \$56,267,900.

## **II. FILING OVERVIEW**

This filing consists of the Table of Contents, this Application, including the direct testimony of four Company witnesses, proposed tariffs, schedules, and workpapers in two volumes that satisfies the requirements of PURA § 36.210, 16 TAC § 25.243, and the Commission's Distribution Cost Recovery Factor Rate Filing Package ("DCRF-RFP") instructions and forms. Oncor's testimonies, supporting schedules, and workpapers are presented by the following witnesses:

<b>Witness</b>	<b>Principal Subjects Covered</b>
W. Alan Ledbetter Vice President and Controller	Requirements of DCRF Application; calculation of DCRF revenue requirement
Bonnie L. Clutter Assistant Controller	Requirements of DCRF Application; calculation of tax-related components of DCRF revenue requirement
Matthew A. Troxle Vice President – Regulatory	Calculation of the DCRFs and WDCRFs; proposed Rider DCRF and Rider WDCRF tariffs; billing unit calculations, as adjusted for weather and year-end premise growth

Coler D. Snelleman Director of Strategic Sourcing – Transmission and Distribution Supply Chain Management	Distribution invested capital
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These four witnesses' testimonies and their schedules and workpapers collectively demonstrate Oncor's compliance with the DCRF recovery standards established by PURA, 16 TAC § 25.243, and the Commission's DCRF-RFP instructions and forms. Each piece of testimony also contains an affidavit with a sworn statement demonstrating compliance with PURA § 36.210(a)(6) and 16 TAC § 25.243(e)(1). Oncor has also included as Schedule K to this Application its most recent earnings monitoring report that it filed with the Commission.<sup>4</sup>

### **III. DESIGNATED REPRESENTATIVES**

Oncor's designated legal and business representatives for purposes of this proceeding are:

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All pleadings, orders, discovery requests, and other matters related to this Application should be served on Oncor by email at regulatory@oncor.com or fax at 214.486.3221 and at the email addresses listed above.

### **IV. JURISDICTION**

Under PURA § 36.210(a), the Commission has exclusive jurisdiction over this DCRF

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<sup>4</sup> Year-End 2022 Electric Utility Earnings Reports in Accordance with 16 TAC § 25.73, Project No. 54451, Oncor Electric Delivery Company LLC's Filing of Earnings Monitoring Report for 2022 (May 15, 2023).



Application.

## **V. AFFECTED PERSONS**

Oncor's Application affects all retail electric providers ("REPs") that take electric delivery service from Oncor and will affect the retail electric customers of those REPs to the extent that the REPs pass along charges to their customers under the Company's approved DCRF tariffs. This Application also affects wholesale customers of Oncor receiving service at distribution voltage. If the Commission approves the DCRF amendment requested in this Application, then Oncor's distribution revenues will increase by approximately \$56,267,900 on an annual basis as compared to the distribution revenues of \$152,777,465 proposed by Oncor in Docket No. 55190 and reflected in approved interim rates in that docket.

## **VI. PROPOSED RIDERS AND EFFECTIVE DATE**

Oncor's proposed Rider DCRF to the Company's Tariff for Retail Delivery Service and proposed Rider WDCRF to the Company's Tariff for Transmission Service are attached to this Application as Attachments A and B, respectively. Under PURA § 36.210(i), Oncor's proposed effective date for rates under Rider DCRF and Rider WDCRF is November 14, 2023.

## **VII. NOTICE AND INTERVENTION DEADLINE**

Oncor is providing notice of this Application, as required by 16 TAC § 25.243(e)(2), by serving a copy of this Application and all accompanying materials to authorized party representatives in Docket No. 53601, Oncor's last comprehensive base-rate proceeding, and in Docket No. 55190, Oncor's most recent DCRF proceeding. Oncor is also providing notice of this Application to each municipality in its service area. Oncor will file proof of notice with the Commission upon completion. Based on the schedule required by PURA § 36.210(i), Oncor is requesting an intervention deadline of 21 days from the date service of notice is completed, which is consistent with the intervention deadline for interim transmission cost of service ("TCOS") proceedings outlined in 16 TAC § 25.192(h)(4)(A).

In addition, based upon 16 TAC § 25.243(c)(1)(A), Oncor is filing this Application with all municipalities that have not ceded their jurisdiction over Oncor's distribution service area to the Commission.

### **VIII. PROPOSED PROCEDURAL SCHEDULE**

In light of the deadline for the Commission to enter a final order on a DCRF request under PURA § 36.210(i), Oncor proposes the following procedural schedule, which reflects the Commission's current open meeting schedule and is generally consistent with the procedural schedule routinely utilized by the Commission for interim TCOS proceedings:

<b>Description</b>	<b>Date/Deadline</b>
Deadline to intervene and for motions to find the application materially deficient	October 6, 2023
Deadline for Oncor's response to a motion to find the application materially deficient and deadline for intervenor recommendations on application	October 12, 2023
Deadline for Commission Staff to file a recommendation on final disposition	October 17, 2023
Deadline for Oncor to file responses to intervenor and Staff recommendation on Application, and motion (or if no disputed issues exist, deadline for parties to file joint motion) to admit evidence and proposed findings of fact, corresponding conclusions of law, and ordering paragraphs.	October 20, 2023
Consideration of Application at open meeting	November 2, 2023
PURA § 36.210(i) 60-day deadline	November 14, 2023
Oncor's requested effective date and date of implementation for interim rates, if necessary	November 14, 2023

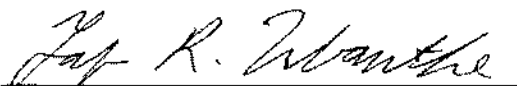
### **IX. REQUESTED PROTECTIVE ORDER**

Attached to this Application as Attachment C is a form of the Commission's standard protective order, under 16 TAC § 22.142(c), for the protection of materials submitted in this proceeding containing privileged, confidential, competitively sensitive, proprietary trade secret data, and commercial and financial information. Oncor requests that the Commission issue a protective order in the form of Attachment C and require all parties to adhere to its terms.

**X. CONCLUSION AND PRAYER**

Based on the Application and supporting evidence in this proceeding, Oncor respectfully requests that the Commission: (i) issue a protective order in the form of Attachment C; (ii) approve the proposed form and method of notice; (iii) adopt a procedural schedule to comply with PURA § 36.210(i), as proposed here in; (iv) limit the scope of the proceeding as required by 16 TAC § 25.243(e)(5); (v) approve the DCRF and WDCRF rates and tariffs as requested herein not later than the 60<sup>th</sup> day after the filing of this Application (November 14, 2023); and (vi) grant the Company such other and further relief to which it may be entitled.

Respectfully submitted,

By: 

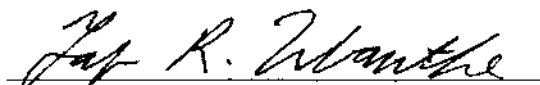
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**ATTORNEYS FOR ONCOR ELECTRIC  
DELIVERY COMPANY LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 15<sup>th</sup> day of September, 2023, a true and correct copy of the foregoing was provided to Commission Staff, the Office of Public Utility Counsel, and the municipalities and parties described in Section VII of this Application by electronic mail, first class mail or overnight delivery, in accordance with the Commission's Second Order Suspending Rules issued on July 16, 2020, in Project No. 50664.

  
\_\_\_\_\_

6.1.1 Delivery System Charges  
Applicable: Entire Certified Service Area  
Effective Date: \_\_\_\_\_

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### 6.1.1.6.4 Rider Distribution Cost Recovery Factor (DCRF)

#### APPLICABILITY

Each Retail Customer connected to the Company's transmission or distribution system will be assessed a nonbypassable distribution service charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule § 25.243, are necessitated by incremental distribution costs not included in the Company's last general rate case proceeding before the Commission.

#### MONTHLY RATE

The Competitive Retailer, on behalf of the Retail Customer, will be assessed this distribution service charge adjustment based on the monthly per unit cost (DCRF) multiplied times the Retail Customer's appropriate monthly billing determinant (kWh or Billing kW).

The DCRF shall be calculated for each rate according to the following formula:

$$\text{DCRF} = \frac{[(\text{DIC}_C - \text{DIC}_{RC}) * \text{ROR}_{AT}] + (\text{DEPR}_C - \text{DEPR}_{RC}) + (\text{FIT}_C - \text{FIT}_{RC}) + (\text{OT}_C - \text{OT}_{RC}) - \sum(\text{DISTREV}_{RC\text{-CLASS}} * \% \text{GROWTH}_{\text{CLASS}})] * \text{ALLOC}_{\text{CLASS}}}{\text{BD}_{C\text{-CLASS}}}$$

rounded to nearest \$.000001

Where:

- $\text{DIC}_C$  = Current Net Distribution Invested Capital
- $\text{DIC}_{RC}$  = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.
- $\text{ROR}_{AT}$  = After-Tax Rate of Return as defined in Substantive Rule § 25.243(d)(2).
- $\text{DEPR}_C$  = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.
- $\text{DEPR}_{RC}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.
- $\text{FIT}_C$  = Current Federal Income Tax, as related to Current Net Distribution Invested Capital, including the change in federal income taxes related to the change in return on rate base and synchronization of interest associated with the change in rate base resulting from additions to and retirements of distribution plant as used to compute Net Distribution Invested Capital.
- $\text{FIT}_{RC}$  = Federal Income Tax, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding.
- $\text{OT}_C$  = Current Other Taxes (taxes other than income taxes and taxes associated with the return on rate base), as related to Current Net Distribution Invested capital, calculated using current tax rates and the methodology from the last comprehensive base-rate proceeding, and not including municipal franchise fees.
- $\text{OT}_{RC}$  = Other Taxes, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$\text{DISTREV}_{RC\text{-CLASS}}$  (Distribution Revenues by rate class based on Net Distribution Invested Capital from the last comprehensive base-rate proceeding) =  $(\text{DIC}_{RC\text{-CLASS}} * \text{ROR}_{AT}) + \text{DEPR}_{RC\text{-CLASS}} + \text{FIT}_{RC\text{-CLASS}} + \text{OT}_{RC\text{-CLASS}}$

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

**6.1.1 Delivery System Charges**  
Applicable: Entire Certified Service Area  
Effective Date:

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$\%GROWTH_{CLASS}$  (Growth in Billing Determinants by Class) =  $(BD_{C-CLASS} - BD_{RC-CLASS}) / BD_{RC-CLASS}$ .

$DIC_{RC-CLASS}$  = Net Distribution Invested Capital allocated to the rate class from the last comprehensive base-rate proceeding.

$DEPR_{RC-CLASS}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$FIT_{RC-CLASS}$  = Federal Income Tax, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$OT_{RC-CLASS}$  = Other Taxes, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$ALLOC_{CLASS}$  = Rate Class Allocation Factor approved in the last comprehensive base-rate proceeding, calculated as: total net distribution plant allocated to rate class, divided by total net distribution plant. For situations in which data from the last comprehensive base-rate proceeding are not available to perform the described calculation, the Rate Class Allocation Factor shall be calculated as the total distribution revenue requirement allocated to the rate class (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) divided by the total distribution revenue requirement (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) for all classes as approved by the commission in the electric utility's last comprehensive base-rate case.

The Allocation Factor for each listed rate schedule is as follows:

Residential Service	55.8203%
Secondary Service Less Than or Equal to 10 kW	2.0953%
Secondary Service Greater Than 10 kW	34.9913%
Primary Service Less Than or Equal to 10 kW	0.0284%
Primary Service Greater Than 10 kW Distribution Line	5.5524%
Primary Service Greater Than 10 kW Substation	0.5328%
Transmission Service	0.1234%
Lighting Service	0.5060%
Wholesale Service	
Substation	0.0638%
Distribution Line	0.2863%

$BD_{C-CLASS}$  = Rate Class Billing Determinants (weather-normalized and adjusted to reflect the number of customers at the end of the period) for the 12 months ending on the date used for purposes of determining the Current Net Distribution Invested Capital. For customer classes billed primarily on the basis of kilowatt-hour billing determinants, the DCRF shall be calculated using kilowatt-hour billing determinants. For customer classes billed primarily on the basis of demand billing determinants, the DCRF shall be calculated using demand billing determinants.

$BD_{RC-CLASS}$  = Rate Class Billing Determinants used to set rates in the last comprehensive base-rate proceeding.

**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:

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Distribution Cost Recovery Factor (DCRF)

Effective Date	Residential Service	Secondary Service		Primary Service			Transmission Service	Lighting Service
	(\$/kWh)	≤ 10 kW (\$/kWh)	>10 kW (\$/Billing kW)	≤ 10 kW (\$/kWh)	>10 kW Distribution Line (\$/Billing kW)	Substation (\$/Billing kW)	(\$/Billing kW)	(\$/kWh)
Nov 14, 2023	0.002527	0.002446	0.459315	0.002047	0.254994	0.078408	0.004740	0.002887
Sept 1, 2023	0.001851	0.001747	0.349875	0.001475	0.201323	0.063339	0.003845	0.002341
May 1, 2023	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Sept 1, 2021	0.002213	0.002481	0.490802	0.001235	0.200042	0.044707	0.004528	0.008533
Sept. 1, 2020	0.001287	0.001374	0.266647	0.000620	0.111613	0.029207	0.002994	0.004595
Sept. 1, 2019	0.000474	0.000503	0.099593	0.000221	0.046956	0.012099	0.001175	0.001633
Sept 1, 2018	0.000183	0.000190	0.037928	0.000092	0.019495	0.005353	0.000486	0.000595

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

**3.0 Rate Schedules****Applicable:** Wholesale Transmission Service**Effective Date:**

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**3.6 Rider WDCRF – Wholesale Distribution Cost Recovery Factor****Application**

Each WDSC will be assessed a nonbypassable distribution service charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule § 25.243, are necessitated by incremental distribution costs not included in the Company's last general rate case proceeding before the Commission.

**Monthly Rate**

The WDSC receiving service will be assessed this distribution service charge adjustment based on the monthly per unit cost (WDCRF) multiplied times the WDSC's appropriate monthly billing determinant.

The WDCRF shall be calculated for each rate according to the following formula:

$$\text{WDCRF} = \frac{[(\text{DIC}_C - \text{DIC}_{RC}) * \text{ROR}_{AT}] + (\text{DEPR}_C - \text{DEPR}_{RC}) + (\text{FIT}_C - \text{FIT}_{RC}) + (\text{OT}_C - \text{OT}_{RC}) - \sum (\text{DISTREV}_{RC\text{-CLASS}} * \% \text{GROWTH}_{\text{CLASS}})] * \text{ALLOC}_{\text{CLASS}} / \text{BDC}_{\text{CLASS}}}{\text{BDC}_{\text{CLASS}}}$$

rounded to nearest \$.000001

Where:

- $\text{DIC}_C$  = Current Net Distribution Invested Capital
- $\text{DIC}_{RC}$  = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.
- $\text{ROR}_{AT}$  = After-Tax Rate of Return as defined in Substantive Rule § 25.243(d)(2).
- $\text{DEPR}_C$  = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.
- $\text{DEPR}_{RC}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.
- $\text{FIT}_C$  = Current Federal Income Tax, as related to Current Net Distribution Invested Capital, including the change in federal income taxes related to the change in return on rate base and synchronization of interest associated with the change in rate base resulting from additions to and retirements of distribution plant as used to compute Net Distribution Invested Capital.
- $\text{FIT}_{RC}$  = Federal Income Tax, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding.
- $\text{OT}_C$  = Current Other Taxes (taxes other than income taxes and taxes associated with the return on rate base), as related to Current Net Distribution Invested capital, calculated using current tax rates and the methodology from the last comprehensive base-rate proceeding, and not including municipal franchise fees.
- $\text{OT}_{RC}$  = Other Taxes, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$\text{DISTREV}_{RC\text{-CLASS}}$  (Distribution Revenues by rate class based on Net Distribution Invested Capital from the



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last comprehensive base-rate proceeding) =  $(DIC_{RC-CLASS} * ROR_{AT}) + DEPR_{RC-CLASS} + FIT_{RC-CLASS} + OT_{RC-CLASS}$ .

$\%GROWTH_{CLASS}$  (Growth in Billing Determinants by Class) =  $(BD_{C-CLASS} - BD_{RC-CLASS}) / BC_{RC-CLASS}$

$DIC_{RC-CLASS}$  = Net Distribution Invested Capital allocated to the rate class from the last comprehensive base-rate proceeding.

$DEPR_{RC-CLASS}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$FIT_{RC-CLASS}$  = Federal Income Tax, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$OT_{RC-CLASS}$  = Other Taxes, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$ALLOC_{CLASS}$  = Rate Class Allocation Factor approved in the last comprehensive base-rate proceeding, calculated as: total net distribution plant allocated to rate class, divided by total net distribution plant. For situations in which data from the last comprehensive base-rate proceeding are not available to perform the described calculation, the Rate Class Allocation Factor shall be calculated as the total distribution revenue requirement allocated to the rate class (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) divided by the total distribution revenue requirement (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) for all classes as approved by the commission in the electric utility's last comprehensive base-rate case.

The Allocation Factor for each listed rate schedule is as follows:

Residential Service	55.8203%
Secondary Service Less Than or Equal to 10 kW	2.0953%
Secondary Service Greater Than 10 kW	34.9913%
Primary Service Less Than or Equal to 10 kW	0.0284%
Primary Service Greater Than 10 kW Distribution Line	5.5524%
Primary Service Greater Than 10 kW Substation	0.5328%
Transmission Service	0.1234%
Lighting Service	0.5060%
Wholesale Service	
Substation	0.0638%
Distribution Line	0.2863%

$BD_{C-CLASS}$  = Rate Class Billing Determinants (weather-normalized and adjusted to reflect the number of customers at the end of the period) for the 12 months ending on the date used for purposes of determining the Current Net Distribution Invested Capital. For customer classes billed primarily on the basis of kilowatt-hour billing determinants, the WDCRF shall be calculated using kilowatt-hour billing determinants. For customer classes billed primarily on the basis of demand billing determinants, the WDCRF shall be calculated using demand billing determinants.

$BD_{RC-CLASS}$  = Rate Class Billing Determinants used to set rates in the last comprehensive base-rate proceeding.

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ONCOR ELECTRIC DELIVERY COMPANY LLC**

**3.0 Rate Schedules**

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**Monthly Surcharge**

The WDCRF surcharge for each of the Company's applicable wholesale rate schedules is as follows:

<u>Rate Schedule</u>	<u>WDCRF Surcharge</u>
Wholesale Substation Service	\$0.090334 per kW, billed at Annual Demand (kW)
Wholesale Distribution Line Service	\$0.327017 per Billing kW

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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.

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).

**Notice**

This Rate Schedule is subject to the Company's Tariff for Transmission Service and Applicable Legal Authorities.

DOCKET NO. \_\_\_\_\_

APPLICATION OF ONCOR	§	
ELECTRIC DELIVERY COMPANY	§	PUBLIC UTILITY COMMISSION
LLC FOR APPROVAL TO AMEND	§	
ITS DISTRIBUTION COST	§	OF TEXAS
RECOVERY FACTOR	§	

**PROTECTIVE ORDER**

This Protective Order governs the use of all information deemed confidential (Protected Materials) or highly confidential (Highly Sensitive Protected Materials), including information whose confidentiality is currently under dispute, by a party providing information to the Public Utility Commission of Texas (Commission) or to any other party to this proceeding.

It is ORDERED that:

1. **Designation of Protected Materials.** Upon producing or filing a document, including, but not limited to, records on a computer disk or other similar electronic storage medium in this proceeding, the producing party may designate that document, or any portion of it, as confidential pursuant to this Protective Order by typing or stamping on its face "PROTECTED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. \_\_\_\_\_" (or words to this effect) and consecutively Bates Stamping each page. Protected Materials and Highly Sensitive Protected Materials include the documents so designated, as well as the substance of the information contained in the documents and any description, report, summary, or statement about the substance of the information contained in the documents.
2. **Materials Excluded from Protected Materials Designation.** Protected Materials must not include any information or document contained in the public files of the Commission or any other federal or state agency, court, or local governmental authority subject to the Public Information Act.<sup>1</sup> Protected Materials

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<sup>1</sup> Tex. Gov't Code § 552.001-.353.

also must not include documents or information which at the time of, or prior to disclosure in, a proceeding is or was public knowledge, or which becomes public knowledge other than through disclosure in violation of this Protective Order.

3. **Reviewing Party.** For the purposes of this Protective Order, a "Reviewing Party" is any party to this docket.
4. **Procedures for Designation of Protected Materials.** On or before the date the Protected Materials or Highly Sensitive Protected Materials are provided to the Commission, the producing party is required to file with the Commission and deliver to each party to the proceeding a written statement, which may be in the form of an objection, indicating: (a) any exemptions to the Public Information Act claimed to apply to the alleged Protected Materials; (b) the reasons supporting the producing party's claim that the responsive information is exempt from public disclosure under the Public Information Act and subject to treatment as protected materials; and (c) that counsel for the producing party has reviewed the information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials designation.
5. **Persons Permitted Access to Protected Materials.** Except as otherwise provided in this Protective Order, a Reviewing Party may access Protected Materials only through its "Reviewing Representatives" who have signed the Protective Order Certification Form (see Attachment A). Reviewing Representatives of a Reviewing Party include its counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by the Reviewing Party and directly engaged in this proceeding. At the request of the PUC Commissioners, copies of Protected Materials may be produced by Commission Staff. The Commissioners and their staff must be informed of the existence and coverage of this Protective Order and will observe the restrictions of the Protective Order.

6. **Highly Sensitive Protected Material Described.** The term “Highly Sensitive Protected Materials” is a subset of Protected Materials and refers to documents or information that a producing party claims is of such a highly sensitive nature that making copies of such documents or information or providing access to such documents to employees of the Reviewing Party (except as specified herein) would expose a producing party to unreasonable risk of harm. Highly Sensitive Protected Materials include but are not limited to: (a) customer-specific information protected by § 32.101(c) of the Public Utility Regulatory Act;<sup>2</sup> (b) contractual information pertaining to contracts that specify that their terms are confidential or that are confidential pursuant to an order entered in litigation to which the producing party is a party; (c) market-sensitive fuel price forecasts, wholesale transactions information and/or market-sensitive marketing plans; and (d) business operations or financial information that is commercially sensitive. Documents or information so classified by a producing party must bear the designation “HIGHLY SENSITIVE PROTECTED MATERIALS PROVIDED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. \_\_\_\_\_” (or words to this effect) and must be consecutively Bates Stamped. The provisions of this Protective Order pertaining to Protected Materials also apply to Highly Sensitive Protected Materials, except where this Protective Order provides for additional protections for Highly Sensitive Protected Materials. In particular, the procedures herein for challenging the producing party’s designation of information as Protected Materials also apply to information that a producing party designates as Highly Sensitive Protected Materials.
7. **Restrictions on Copying and Inspection of Highly Sensitive Protected Material.** Except as expressly provided herein, only one copy may be made of any Highly Sensitive Protected Materials except that additional copies may be made to have sufficient copies for introduction of the material into the evidentiary record if the material is to be offered for admission into the record. The Reviewing Party is required to maintain a record of all copies made of Highly

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<sup>2</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016 (PURA).

Sensitive Protected Material and must send a duplicate of the record to the producing party when the copy or copies are made. The record must specify the location and the person possessing the copy. Highly Sensitive Protected Material must be made available for inspection only at the location or locations provided by the producing party, except as specified by Paragraph 9. Limited notes may be made of Highly Sensitive Protected Materials, and such notes must themselves be treated as Highly Sensitive Protected Materials unless such notes are limited to a description of the document and a general characterization of its subject matter in a manner that does not state any substantive information contained in the document.

8. **Restricting Persons Who May Have Access to Highly Sensitive Protected Material.** With the exception of Commission Staff, the Office of the Attorney General (OAG), and the Office of Public Utility Counsel (OPC), and except as provided herein, the Reviewing Representatives for the purpose of access to Highly Sensitive Protected Materials may be persons who are (a) outside counsel for the Reviewing Party, (b) outside consultants for the Reviewing Party working under the direction of Reviewing Party's counsel, or (c) employees of the Reviewing Party working with and under the direction of Reviewing Party's counsel who have been authorized by the presiding officer to review Highly Sensitive Protected Materials. The Reviewing Party must limit the number of Reviewing Representatives that review Highly Sensitive Protected Materials to the minimum number of persons necessary. The Reviewing Party is under a good faith obligation to limit access to each portion of any Highly Sensitive Protected Materials to two Reviewing Representatives whenever possible. Reviewing Representatives for Commission Staff, OAG, and OPC, for the purpose of access to Highly Sensitive Protected Materials, must consist of their respective counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by them and directly engaged in these proceedings.
9. **Copies Provided of Highly Sensitive Protected Material.** A producing party is required to provide one copy of Highly Sensitive Protected Materials specifically

requested by the Reviewing Party to the person designated by the Reviewing Party who must be a person authorized to review Highly Sensitive Protected Material under Paragraph 8. Representatives of the Reviewing Party who are authorized to view Highly Sensitive Protected Material may review the copy of Highly Sensitive Protected Materials at the office of the Reviewing Party's representative designated to receive the information. Any Highly Sensitive Protected Materials provided to a Reviewing Party may not be copied except as provided in Paragraph 7. The restrictions contained herein do not apply to Commission Staff, OPC, and the OAG when the OAG is representing a party to the proceeding.

10. **Procedures in Paragraphs 10-14 Apply to Commission Staff, OPC, and the OAG and Control in the Event of Conflict.** The procedures in Paragraphs 10 through 14 apply to responses to requests for documents or information that the producing party designates as Highly Sensitive Protected Materials and provides to Commission Staff, OPC, and the OAG in recognition of their purely public functions. To the extent the requirements of Paragraphs 10 through 14 conflict with any requirements contained in other paragraphs of this Protective Order, the requirements of these Paragraphs control.
11. **Copy of Highly Sensitive Protected Material to be Provided to Commission Staff, OPC and the OAG.** When, in response to a request for information by a Reviewing Party, the producing party makes available for review documents or information claimed to be Highly Sensitive Protected Materials, the producing party is required to also deliver one copy of the Highly Sensitive Protected Materials to the Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) in Austin, Texas. Provided however, that in the event such Highly Sensitive Protected Materials are voluminous, the materials will be made available for review by Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) at the designated office in Austin, Texas. The Commission Staff, OPC (if OPC is a party) and the OAG (if the OAG is representing a party) may request such copies as are necessary of such voluminous material under the copying procedures specified herein.

12. **Delivery of the Copy of Highly Sensitive Protected Material to Commission Staff and Outside Consultants.** The Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by them to the appropriate members of their staff for review, provided such staff members first sign the certification specified by Paragraph 15. After obtaining the agreement of the producing party, Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by it to the agreed, appropriate members of their outside consultants for review, provided such outside consultants first sign the certification in Attachment A.
13. **Restriction on Copying by Commission Staff, OPC and the OAG.** Except as allowed by Paragraph 7, Commission Staff, OPC and the OAG may not make additional copies of the Highly Sensitive Protected Materials furnished to them unless the producing party agrees in writing otherwise, or, upon a showing of good cause, the presiding officer directs otherwise. Commission Staff, OPC, and the OAG may make limited notes of Highly Sensitive Protected Materials furnished to them, and all such handwritten notes will be treated as Highly Sensitive Protected Materials as are the materials from which the notes are taken.
14. **Public Information Requests.** In the event of a request for any of the Highly Sensitive Protected Materials under the Public Information Act, an authorized representative of the Commission, OPC, or the OAG may furnish a copy of the requested Highly Sensitive Protected Materials to the Open Records Division at the OAG together with a copy of this Protective Order after notifying the producing party that such documents are being furnished to the OAG. Such notification may be provided simultaneously with the delivery of the Highly Sensitive Protected Materials to the OAG.



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15. **Required Certification.** Each person who inspects the Protected Materials must, before such inspection, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket, and that I have been given a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials must not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC will be used only for the purpose of the proceeding in Docket No. \_\_\_\_\_. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated herein must not apply.

In addition, Reviewing Representatives who are permitted access to Highly Sensitive Protected Material under the terms of this Protective Order must, before inspection of such material, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

The Reviewing Party is required to provide a copy of each signed certification to Counsel for the producing party and serve a copy upon all parties of record.

16. **Disclosures between Reviewing Representatives and Continuation of Disclosure Restrictions after a Person is no Longer Engaged in the Proceeding.** Any Reviewing Representative may disclose Protected Materials, other than Highly Sensitive Protected Materials, to any other person who is a Reviewing Representative provided that, if the person to whom disclosure is to be made has not executed and provided for delivery of a signed certification to the party asserting confidentiality, that certification must be executed prior to any disclosure. A Reviewing Representative may disclose Highly Sensitive Protected Material to other Reviewing Representatives who are permitted access to such

material and have executed the additional certification required for persons who receive access to Highly Sensitive Protected Material. In the event that any Reviewing Representative to whom Protected Materials are disclosed ceases to be engaged in these proceedings, access to Protected Materials by that person must be terminated and all notes, memoranda, or other information derived from the protected material must either be destroyed or given to another Reviewing Representative of that party who is authorized pursuant to this Protective Order to receive the protected materials. Any person who has agreed to the foregoing certification is required to continue to be bound by the provisions of this Protective Order so long as it is in effect, even if no longer engaged in these proceedings.

17. **Producing Party to Provide One Copy of Certain Protected Material and Procedures for Making Additional Copies of Such Materials.** Except for Highly Sensitive Protected Materials, which must be provided to the Reviewing Parties under Paragraph 9, and voluminous Protected Materials, the producing party is required to provide a Reviewing Party one copy of the Protected Materials upon receipt of the signed certification described in Paragraph 15. Except for Highly Sensitive Protected Materials, a Reviewing Party may make further copies of Protected Materials for use in this proceeding according to this Protective Order, but a record must be maintained as to the documents reproduced and the number of copies made, and upon request the Reviewing Party is required to provide the party asserting confidentiality with a copy of that record.
18. **Procedures Regarding Voluminous Protected Materials.** 16 Texas Administrative Code (TAC) § 22.144(h) will govern production of voluminous Protected Materials. Voluminous Protected Materials will be made available in the producing party's voluminous room, in Austin, Texas, or at a mutually agreed upon location, Monday through Friday, 9:00 a.m. to 5:00 p.m. (except on state or Federal holidays), and at other mutually convenient times upon reasonable request.

19. **Reviewing Period Defined.** The Protected Materials may be reviewed only during the Reviewing Period, which will commence upon entry of this Protective Order and continue until the expiration of the Commission's plenary jurisdiction. The Reviewing Period will reopen if the Commission regains jurisdiction due to a remand as provided by law. Protected materials that are admitted into the evidentiary record or accompanying the evidentiary record as offers of proof may be reviewed throughout the pendency of this proceeding and any appeals.
20. **Procedures for Making Copies of Voluminous Protected Materials.** Other than Highly Sensitive Protected Materials, Reviewing Parties may take notes regarding the information contained in voluminous Protected Materials made available for inspection or they may make photographic, mechanical or electronic copies of the Protected Materials, subject to the conditions in this Protective Order; provided, however, that before photographic, mechanical or electronic copies may be made, the Reviewing Party seeking photographic, mechanical or electronic copies must provide written confirmation of the receipt of copies listed on Attachment B of this Protective Order identifying each piece of Protected Materials or portions thereof the Reviewing Party will need.
21. **Protected Materials to be Used Solely for the Purposes of These Proceedings.** All Protected Materials must be made available to the Reviewing Parties and their Reviewing Representatives solely for the purposes of these proceedings. Access to the Protected Materials may not be used in the furtherance of any other purpose, including, without limitation: (a) any other pending or potential proceeding involving any claim, complaint, or other grievance of whatever nature, except appellate review proceedings that may arise from or be subject to these proceedings; or (b) any business or competitive endeavor of whatever nature. Because of their statutory regulatory obligations, these restrictions do not apply to Commission Staff or OPC.
22. **Procedures for Confidential Treatment of Protected Materials and Information Derived from Those Materials.** Protected Materials, as well as a Reviewing Party's notes, memoranda, or other information regarding or derived

from the Protected Materials are to be treated confidentially by the Reviewing Party and must not be disclosed or used by the Reviewing Party except as permitted and provided in this Protective Order. Information derived from or describing the Protected Materials must be maintained in a secure place and must not be placed in the public or general files of the Reviewing Party except in accordance with the provisions of this Protective Order. A Reviewing Party must take all reasonable precautions to insure that the Protected Materials including notes and analyses made from Protected Materials that disclose Protected Materials are not viewed or taken by any person other than a Reviewing Representative of a Reviewing Party.

23. **Procedures for Submission of Protected Materials.** If a Reviewing Party tenders for filing any Protected Materials, including Highly Sensitive Protected Materials, or any written testimony, exhibit, brief, motion or other type of pleading or other submission at the Commission or before any other judicial body that quotes from Protected Materials or discloses the content of Protected Materials, the confidential portion of such submission must be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they contain Protected Material or Highly Sensitive Protected Material and are sealed pursuant to this Protective Order. If filed at the Commission, such documents must be marked "PROTECTED MATERIAL" and must be filed under seal with the presiding officer and served under seal to the counsel of record for the Reviewing Parties. The presiding officer may subsequently, on his/her own motion or on motion of a party, issue a ruling respecting whether or not the inclusion, incorporation or reference to Protected Materials is such that such submission should remain under seal. If filing before a judicial body, the filing party: (a) must notify the party which provided the information within sufficient time so that the producing party may seek a temporary sealing order; and (b) must otherwise follow the procedures in Rule 76a, Texas Rules of Civil Procedure.
24. **Maintenance of Protected Status of Materials during Pendency of Appeal of Order Holding Materials are not Protected Materials.** In the event that the

presiding officer at any time in the course of this proceeding finds that all or part of the Protected Materials are not confidential or proprietary, by finding, for example, that such materials have entered the public domain or materials claimed to be Highly Sensitive Protected Materials are only Protected Materials, those materials will nevertheless be subject to the protection afforded by this Protective Order for three (3) full working days, unless otherwise ordered, from the date the party asserting confidentiality receives notice of the presiding officer's order. Such notification will be by written communication. This provision establishes a deadline for appeal of a presiding officer's order to the Commission. In the event an appeal to the Commissioners is filed within those three (3) working days from notice, the Protected Materials must be afforded the confidential treatment and status provided in this Protective Order during the pendency of such appeal. Neither the party asserting confidentiality nor any Reviewing Party waives its right to seek additional administrative or judicial remedies after the Commission's denial of any appeal.

25. **Notice of Intent to Use Protected Materials or Change Materials Designation.** Parties intending to use Protected Materials must notify the other parties prior to offering them into evidence or otherwise disclosing such information into the record of the proceeding. During the pendency of Docket No. \_\_\_\_\_ at the Commission, in the event that a Reviewing Party wishes to disclose Protected Materials to any person to whom disclosure is not authorized by this Protective Order, or wishes to have changed the designation of certain information or material as Protected Materials by alleging, for example, that such information or material has entered the public domain, such Reviewing Party must first file and serve on all parties written notice of such proposed disclosure or request for change in designation, identifying with particularity each of such Protected Materials. A Reviewing Party will at any time be able to file a written motion to challenge the designation of information as Protected Materials.
26. **Procedures to Contest Disclosure or Change in Designation.** In the event that the party asserting confidentiality wishes to contest a proposed disclosure or request for change in designation, the party asserting confidentiality must file with

the appropriate presiding officer its objection to a proposal, with supporting affidavits, if any, within five (5) working days after receiving such notice of proposed disclosure or change in designation. Failure of the party asserting confidentiality to file such an objection within this period will be deemed a waiver of objection to the proposed disclosure or request for change in designation. Within five (5) working days after the party asserting confidentiality files its objection and supporting materials, the party challenging confidentiality may respond. Any such response must include a statement by counsel for the party challenging such confidentiality that he or she has reviewed all portions of the materials in dispute and, without disclosing the Protected Materials, a statement as to why the Protected Materials should not be held to be confidential under current legal standards, or that the party asserting confidentiality for some reason did not allow such counsel to review such materials. If either party wishes to submit the material in question for in camera inspection, it must do so no later than five (5) working days after the party challenging confidentiality has made its written filing.

27. **Procedures for Presiding Officer Determination Regarding Proposed Disclosure or Change in Designation.** If the party asserting confidentiality files an objection, the appropriate presiding officer will determine whether the proposed disclosure or change in designation is appropriate. Upon the request of either the producing or Reviewing Party or upon the presiding officer's own initiative, the presiding officer may conduct a prehearing conference. The burden is on the party asserting confidentiality to show that such proposed disclosure or change in designation should not be made. If the presiding officer determines that such proposed disclosure or change in designation should be made, disclosure must not take place earlier than three (3) full working days after such determination unless otherwise ordered. No party waives any right to seek additional administrative or judicial remedies concerning such presiding officer's ruling.
28. **Maintenance of Protected Status during Periods Specified for Challenging Various Orders.** Any party electing to challenge, in the courts of this state, a

Commission or presiding officer determination allowing disclosure or a change in designation will have a period of ten (10) days from: (a) the date of an unfavorable Commission order; or (b) if the Commission does not rule on an appeal of an interim order, the date an appeal of an interim order to the Commission is overruled by operation of law, to obtain a favorable ruling in state district court. Any party challenging a state district court determination allowing disclosure or a change in designation will have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from a state appeals court. Finally, any party challenging a determination of a state appeals court allowing disclosure or a change in designation will have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from the state supreme court, or other appellate court. All Protected Materials must be afforded the confidential treatment and status provided for in this Protective Order during the periods for challenging the various orders referenced in this paragraph. For purposes of this paragraph, a favorable ruling of a state district court, state appeals court, Supreme Court or other appellate court includes any order extending the deadlines in this paragraph.

29. **Other Grounds for Objection to Use of Protected Materials Remain Applicable.** Nothing in this Protective Order precludes any party from objecting to the use of Protected Materials on grounds other than confidentiality, including the lack of required relevance. Nothing in this Protective Order constitutes a waiver of the right to argue for more disclosure, provided, however, that unless the Commission or a court orders such additional disclosure, all parties will abide by the restrictions imposed by the Protective Order.
30. **Protection of Materials from Unauthorized Disclosure.** All notices, applications, responses or other correspondence must be made in a manner which protects Protected Materials from unauthorized disclosure.
31. **Return of Copies of Protected Materials and Destruction of Information Derived from Protected Materials.** Following the conclusion of these proceedings, each Reviewing Party must, no later than thirty (30) days following



receipt of the notice described below, return to the party asserting confidentiality all copies of the Protected Materials provided by that party pursuant to this Protective Order and all copies reproduced by a Reviewing Party, and counsel for each Reviewing Party must provide to the party asserting confidentiality a letter by counsel that, to the best of his or her knowledge, information, and belief, all copies of notes, memoranda, and other documents regarding or derived from the Protected Materials (including copies of Protected Materials) that have not been so returned, if any, have been destroyed, other than notes, memoranda, or other documents which contain information in a form which, if made public, would not cause disclosure of the substance of Protected Materials. As used in this Protective Order, "conclusion of these proceedings" refers to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law. If, following any appeal, the Commission conducts a remand proceeding, then the "conclusion of these proceedings" is extended by the remand to the exhaustion of available appeals of the remand, or the running of the time for making such appeals of the remand, as provided by applicable law. Promptly following the conclusion of these proceedings, counsel for the party asserting confidentiality will send a written notice to all other parties, reminding them of their obligations under this Paragraph. Nothing in this Paragraph prohibits counsel for each Reviewing Party from retaining two (2) copies of any filed testimony, brief, application for rehearing, hearing exhibit or other pleading which refers to Protected Materials provided that any such Protected Materials retained by counsel will remain subject to the provisions of this Protective Order.

32. **Applicability of Other Law.** This Protective Order is subject to the requirements of the Public Information Act, the Open Meetings Act,<sup>3</sup> the Texas Securities Act<sup>4</sup> and any other applicable law, provided that parties subject to those acts will notify the party asserting confidentiality, if possible under those acts, prior to

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<sup>3</sup> Tex. Gov't Code § 551.001-.146.

<sup>4</sup> Tex. Rev. Civ. Stat. Ann. arts. 581-1 to 581-43.

disclosure pursuant to those acts. Such notice is not required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

33. **Procedures for Release of Information under Order.** If required by order of a governmental or judicial body, the Reviewing Party may release to such body the confidential information required by such order; provided, however, that: (a) the Reviewing Party must notify the producing party of the order requiring the release of such information within five (5) calendar days of the date the Reviewing Party has notice of the order; (b) the Reviewing Party must notify the producing party at least five (5) calendar days in advance of the release of the information to allow the producing party to contest any release of the confidential information; and (c) the Reviewing Party must use its best efforts to prevent such materials from being disclosed to the public. The terms of this Protective Order do not preclude the Reviewing Party from complying with any valid and enforceable order of a state or federal court with competent jurisdiction specifically requiring disclosure of Protected Materials earlier than contemplated herein. The notice specified in this section is not required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
34. **Best Efforts Defined.** The term "best efforts" as used in the preceding paragraph requires that the Reviewing Party attempt to ensure that disclosure is not made unless such disclosure is pursuant to a final order of a Texas governmental or Texas judicial body, the written opinion of the Texas Attorney General sought in compliance with the Public Information Act, or the request of governmental officials authorized to conduct a criminal or civil investigation that

relates to or involves the Protected Materials. The Reviewing Party is not required to delay compliance with a lawful order to disclose such information but is simply required to timely notify the party asserting confidentiality, or its counsel, that it has received a challenge to the confidentiality of the information and that the Reviewing Party will either proceed under the provisions of §552.301 of the Public Information Act, or intends to comply with the final governmental or court order. Provided, however, that no notice is required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

35. **Notify Defined.** “Notify” for purposes of Paragraphs 32, 33 and 34 means written notice to the party asserting confidentiality at least five (5) calendar days prior to release; including when a Reviewing Party receives a request under the Public Information Act. However, the Commission, OAG, or OPC may provide a copy of Protected Materials to the Open Records Division of the OAG as provided herein.
36. **Requests for Non-Disclosure.** If the producing party asserts that the requested information should not be disclosed at all, or should not be disclosed to certain parties under the protection afforded by this Protective Order, the producing party must tender the information for in camera review to the presiding officer within ten (10) calendar days of the request. At the same time, the producing party is required to file and serve on all parties its argument, including any supporting affidavits, in support of its position of non-disclosure. The burden is on the producing party to establish that the material should not be disclosed. The producing party must serve a copy of the information under the classification of Highly Sensitive Protected Material to all parties requesting the information that the producing party has not alleged should be prohibited from reviewing the information.

Parties wishing to respond to the producing party's argument for non-disclosure must do so within five working days. Responding parties should explain why the information should be disclosed to them, including why disclosure is necessary for a fair adjudication of the case if the material is determined to constitute a trade secret. If the presiding officer finds that the information should be disclosed as Protected Material under the terms of this Protective Order, the presiding officer will stay the order of disclosure for such period of time as the presiding officer deems necessary to allow the producing party to appeal the ruling to the Commission.

37. **Sanctions Available for Abuse of Designation.** If the presiding officer finds that a producing party unreasonably designated material as Protected Material or as Highly Sensitive Protected Material, or unreasonably attempted to prevent disclosure pursuant to Paragraph 36, the presiding officer may sanction the producing party pursuant to 16 TAC § 22.161.
38. **Modification of Protective Order.** Each party will have the right to seek changes in this Protective Order as appropriate from the presiding officer.
39. **Breach of Protective Order.** In the event of a breach of the provisions of this Protective Order, the producing party, if it sustains its burden of proof required to establish the right to injunctive relief, will be entitled to an injunction against such breach without any requirements to post bond as a condition of such relief. The producing party will not be relieved of proof of any element required to establish the right to injunctive relief. In addition to injunctive relief, the producing party will be entitled to pursue any other form of relief to which it is entitled.

## ATTACHMENT A

### Protective Order Certification

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket and that I have received a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials must not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC will be used only for the purpose of the proceeding in Docket No. \_\_\_\_\_. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated here will not apply.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Party Represented

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Party Represented

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

## ATTACHMENT B

I request to view/copy the following documents:

Document Requested	# of Copies	Non-Confidential	Protected Materials and/or Highly Sensitive Protected Materials

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Party Represented

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

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OF W. ALAN LEDBETTER, WITNESS FOR  
ONCOR ELECTRIC DELIVERY COMPANY LLC**

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PUC Docket No. \_\_\_\_\_

**Ledbetter - Direct  
Oncor Electric Delivery  
September 2023 DCRF Application**

1 **DIRECT TESTIMONY OF W. ALAN LEDBETTER**

2 **I. POSITION AND QUALIFICATIONS**

3 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT  
4 EMPLOYMENT POSITION.

5 A. My name is W. Alan Ledbetter. My business address is 1616 Woodall  
6 Rodgers Freeway, Dallas, Texas 75202. I am Vice President and Controller  
7 of Oncor Electric Delivery Company LLC ("Oncor" or "the Company").

8 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND  
9 RECENT PROFESSIONAL EXPERIENCE.

10 A. I hold a Bachelor's degree in Business Administration – Accounting from the  
11 University of Texas at Arlington and Master of Business Administration  
12 degree, with a minor in Finance, from Texas A&M University-Commerce. I  
13 have been employed in a variety of accounting, finance, and regulatory roles  
14 at Oncor and affiliated companies for more than 42 years. During the past  
15 decade, I have served as Oncor's Director, Planning and Economic Analysis  
16 and the Company's Assistant Controller. In September 2021, I was named  
17 to my current role as the Oncor Vice President and Controller.

18 Q. DO YOU HOLD ANY PROFESSIONAL CERTIFICATIONS OR  
19 MEMBERSHIPS?

20 A. Yes. I am licensed as a Certified Public Accountant in the State of Texas  
21 and also hold the Chartered Global Management Accountant designation  
22 through my membership in the American Institute of Certified Public  
23 Accountants.

24 Q. HAVE YOU EVER SUBMITTED TESTIMONY BEFORE THE PUBLIC  
25 UTILITY COMMISSION OF TEXAS ("COMMISSION") OR OTHER  
26 REGULATORY AUTHORITIES?

27 A. Yes. I testified before the Commission in Docket Nos. 35717 and 53601 and  
28 pre-filed direct testimony in Docket Nos. 35717, 38929, 46957, 48231,  
29 49402, 50734, 51996, 53601, and 55190. In general, my prior testimony  
30 before the Commission has addressed issues concerning Oncor's financial



1 reporting and accounting practices, electric plant in service (including interim  
2 investment updates reflected in Distribution Cost Recovery Factor ("DCRF")  
3 filings), regulatory assets and liabilities, utility operation and maintenance  
4 ("O&M") expenses, working capital, miscellaneous revenues, historical  
5 billing units, and the sale of electric plant. In addition, I have testified on  
6 behalf of Oncor in State Office of Administrative Hearings Docket Nos.  
7 304-17-4552.PVS and 304-21-3344.PVS concerning the determination of  
8 the market value of the Company's taxable tangible personal property by the  
9 State Comptroller's Property Tax Assistance Division.

10 **II. OVERVIEW AND PURPOSE OF DIRECT TESTIMONY**

11 Q. PLEASE PROVIDE A SUMMARY OF THE PURPOSE OF YOUR DIRECT  
12 TESTIMONY IN THIS APPLICATION OF ONCOR ELECTRIC DELIVERY  
13 COMPANY LLC FOR APPROVAL TO AMEND ITS DISTRIBUTION COST  
14 RECOVERY FACTOR ("APPLICATION")?

15 A. The Commission has issued 16 Tex. Admin. Code ("TAC") § 25.243 to  
16 implement Public Utility Regulatory Act ("PURA") § 36.210. As defined in  
17 16 TAC § 25.243(a), the Commission's substantive rules apply to electric  
18 utilities, like Oncor, "that provide wholesale or retail distribution service."  
19 Together with 16 TAC § 25.243, the Commission has also provided  
20 instructive guidance relating to periodic rate adjustments requested pursuant  
21 to PURA § 36.210, through the prescribed Application Form for Distribution  
22 Cost Recovery Factor (DCRF) or DCRF Update, which includes general  
23 instructions and a listing of required schedules for the Commission's DCRF  
24 Rate Filing Package ("DCRF-RFP").

25 Oncor's most recent comprehensive base-rate proceeding was  
26 Commission Docket No. 53601,<sup>1</sup> which included invested capital placed in  
27 service through the test year period ending December 31, 2021. With the  
28 implementation of new base rates resulting from the order in Docket No.

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<sup>1</sup> *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 53601, Order on Rehearing (Jun. 30, 2023).

1 53601, Oncor's existing Rider DCRF tariff rates (that had been in effect since  
2 September 1, 2021, as authorized in Docket No. 51996) were reset to zero,  
3 effective on May 1, 2023. Subsequently, in June 2023, Oncor filed an  
4 application for approval to amend its Rider DCRF and Rider Wholesale  
5 Distribution Cost Recovery Factor ("WDCRF") to include additional  
6 distribution invested capital ("DIC") placed in service from January 1, 2022  
7 through December 31, 2022.<sup>2</sup> That docket is still pending as of the date this  
8 testimony was prepared.

9 Pursuant to legislation enacted during 2023, S.B. 1015<sup>3</sup> amends  
10 PURA § 36.210 to increase the frequency that an electric utility, such as  
11 Oncor, may adjust its rates to not more than twice per year. Accordingly,  
12 Oncor seeks to amend its DCRF and WDCRF tariffs to reflect net  
13 incremental investment realized during the 18-month period ending June 30,  
14 2023, that is "categorized or functionalized as distribution plant, distribution-  
15 related intangible plant, and distribution-related communication equipment  
16 and networks" [PURA § 36.210(a)]. My direct testimony in this Application  
17 supports the determination of the updated DIC revenue requirement  
18 calculation reflected in the Company's schedules and workpapers included  
19 in the accompanying DCRF-RFP. As shown on my Exhibit WAL-1, this  
20 DCRF Application reflects a revenue requirement increase of \$56.2 million  
21 over the distribution and distribution-related costs reflected in Docket No.  
22 55190. After reflecting the net effects of the \$23.1 million customer and  
23 weather-normalized growth and usage adjustment for the 18 months ending  
24 June 30, 2023, Oncor's application supports a requested incremental  
25 revenue requirement of \$209.0 million over the Docket No. 53601 base line  
26 values. Also shown on my Exhibit WAL-1 is a history of Oncor's four

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<sup>2</sup> *Application of Oncor Electric Delivery Company LLC for Approval to Amend its Distribution Cost Recovery Factor and Update Mobile Generation Riders*, Docket No. 55190 (Jun. 29, 2023).

<sup>3</sup> Senate Bill 1015 (Texas 88<sup>th</sup> Leg. R.S.).

1 previous DCRF update proceedings related to interim distribution invested  
2 capital updates that were implemented prior to Docket No. 53601.

3 My direct testimony, exhibits, sponsored schedules and workpapers  
4 were prepared by me or under my direction, supervision, or control, and are  
5 true and correct.

6 Q. WHICH DCRF-RFP SCHEDULES AND WORKPAPERS DO YOU  
7 SPONSOR IN THIS PROCEEDING?

8 A. Together with the related workpapers identified in my Exhibit WAL-6, I  
9 sponsor or co-sponsor the following DCRF-RFP schedules:

10	Schedule A	Summary of Distribution Cost of Service (DCOS);
11	Schedule B	Summary of Distribution Rate Base;
12	Schedule B-1	Distribution Plant - Gross;
13	Schedule B-5	Distribution Accumulated Depreciation;
14	Schedule B-7	DIC-Related Accumulated Deferred Federal Income
15		Taxes (ADFIT);
16	Schedule E-1	Distribution Depreciation Expense; and
17	Schedule K	Earnings Report of Oncor Electric Delivery Company
18		LLC (including Oncor NTU) to the Public Utility
19		Commission of Texas for the 12 Months Ending
20		December 31, 2022 ("2022 EMR").

21 The remaining DCRF-RFP schedules are sponsored (or co-sponsored) by  
22 Company witnesses Ms. Bonnie L. Clutter or Mr. Matthew A. Troxle.

23 Q. PLEASE PROVIDE AN OVERVIEW OF THE UPDATED DISTRIBUTION  
24 COST OF SERVICE ("DCOS") REFLECTED IN THIS DCRF APPLICATION.

25 A. As shown on column (5) of DCRF-RFP Schedule A in this DCRF update  
26 application, Oncor's DCOS presently nets to a total of \$4.413 billion, after  
27 reflecting other revenues. At June 30, 2023, Oncor's annual DCOS reflects  
28 a cumulative increase of about \$232.1 million over the 2021 base line values  
29 developed in Docket No. 53601 (see column (4) of DCRF-RFP Schedule A).  
30 Slightly less than 50% of this \$232.1 million growth reflects increased

1 operating expenses (depreciation and amortization, taxes other than income  
2 taxes, Texas gross margin taxes, and federal income taxes) and the  
3 remaining increase reflects additional capital costs resulting from the  
4 significant growth in distribution electric plant in service during the 18 months  
5 ending June 30, 2023. As shown on column (4) of DCRF-RFP Schedule B  
6 in this DCRF update application, Oncor's net distribution rate base at June  
7 30, 2023 totals more than \$11.4 billion. Company witness Mr. Coler D.  
8 Snelleman provides additional direct testimony concerning Oncor's  
9 investments in distribution and distribution-related plant.

10 **III. DCRF APPLICATION FILING REQUIREMENTS**

11 **A. General Instructions**

12 Q. PLEASE SUMMARIZE THE GENERAL INSTRUCTIONS REFLECTED IN  
13 THE DCRF-RFP AND THEIR APPLICABILITY TO ONCOR.

14 A. Pursuant to 16 TAC § 25.72, Oncor – as a major electric utility – maintains  
15 its accounting books and financial records according to the instructional  
16 guidance and methodologies prescribed in the Uniform System of Accounts  
17 of the Federal Energy Regulatory Commission, hereafter referred to as the  
18 “FERC USOA.” As directed in General Instruction 1 of the DCRF-RFP, the  
19 information provided in this DCRF Application is taken from Oncor's  
20 accounting books and financial records and, therefore, is consistent with the  
21 prescribed FERC USOA.

22 Moreover, as directed in General Instruction 2 of the DCRF-RFP, my  
23 direct testimony supports the required schedules and workpapers that I  
24 sponsor or co-sponsor, including listings of completed distribution and  
25 distribution-related projects that have been placed into service and added to  
26 Oncor's rate base, applicable in-service dates, and descriptions of all  
27 projects with individual total capitalized costs exceeding \$100,000 of gross  
28 incremental investment. Oncor has provided these schedules and  
29 workpapers in a complete functional electronic format consistent with

1 General Instruction 2 of the DCRF-RFP, except where data from a non-  
2 financial source was directly entered into a functioning Excel workbook.

3 Further, consistent with General Instruction 3 of the DCRF-RFP,  
4 Oncor's DCRF Application only reflects incremental costs and return  
5 calculated in compliance with 16 TAC § 25.243 for invested capital that is  
6 categorized or functionalized as distribution plant, distribution-related  
7 intangible plant, and distribution-related communication equipment and  
8 networks properly recorded in FERC USOA 303, 352, 353, 360 through 374,  
9 391, and 397, as described in PURA § 36.053. It is noteworthy that the  
10 wording "or functionalized" was specifically added to PURA § 36.210 through  
11 S.B. 1015, thereby providing enhanced clarification of the investment costs  
12 eligible for inclusion in a DCRF update application.

13 In addition, as directed by General Instructions 5 and 9, the schedules  
14 that I sponsor or co-sponsor in this DCRF Application have been prepared  
15 in a manner consistent with the sample forms reflected in the DCRF-RFP.  
16 As allowed, Oncor has added appropriate columns to certain schedules to  
17 better communicate summaries of reconciling amounts included in the costs  
18 presented in this Application.

19 As further directed by General Instruction 5 of the DCRF-RFP, Oncor  
20 has provided applicable workpapers in electronic native format for each  
21 schedule. Included in my testimony workpapers are summaries of plant  
22 additions, retirements, and other adjustments as required by DCRF-RFP  
23 General Instructions 2 and 5 (see "Note 1" and "Note 2"). Together with  
24 Company witness Mr. Snelleman, I co-sponsor WP/Schedule B-1/1/6\_ME\_  
25 06302023 which lists distribution project additions that exceed \$100,000 for  
26 the first six months of 2023, as well as WP/Schedule B-5/1/6\_ME\_06302023  
27 which details individual distribution project retirements over \$100,000  
28 occurring during the six-month period ending June 30, 2023. Separate  
29 workpapers identifying distribution and distribution-related project additions  
30 and retirements exceeding \$100,000 are provided in a similar format for the

1 calendar year of 2022, as addressed in Oncor's DCRF/WDCRF Application  
2 filed in Docket No. 55190.

3 Q. HAS ONCOR INCLUDED COSTS OR RETURN COMPONENTS IN ITS  
4 APPLICATION THAT ARE NOT APPROPRIATELY ELIGIBLE FOR  
5 RECOVERY IN A DCRF UPDATE?

6 A. No. Utilizing methodologies consistent with Oncor's prior functionalization  
7 practices (including those used in Docket No. 53601) involving substation  
8 project additions that contain both transmission and distribution costs, I have  
9 ensured that costs assigned or allocated in this DCRF Application are  
10 exclusive from costs assigned to the Company's transmission business  
11 operations. My Exhibit WAL-2 provides a summary of the allocation of the  
12 June 30, 2023 account balances of station-related costs between Oncor's  
13 investment in transmission ("TRAN") assets and those reflected in this DCRF  
14 update application.

15 Q. HAS ONCOR INCLUDED ANY INDIRECT CORPORATE COSTS OR  
16 CAPITALIZED O&M COSTS IN THIS DCRF APPLICATION?

17 A. No. The Company has not capitalized or otherwise reflected any "indirect  
18 corporate costs or capitalized O&M expenses" (e.g., expenses that have  
19 been deferred or amortized as a regulatory asset or liability) in this filing.  
20 Accordingly, the workpapers do not address any explanations or criteria  
21 used to identify any excluded costs, as directed in General Instruction 5 of  
22 the DCRF-RFP (see "Note 1").

23 Q. HAS THE COMMISSION PROVIDED GUIDANCE ON WHAT  
24 CONSTITUTES AN INDIRECT CORPORATE COST?

25 A. Yes. In Project No. 39465,<sup>4</sup> the Commission noted that the "proposed rule's  
26 definition of "indirect corporate costs" confused rather than clarified the issue  
27 of what costs are properly includable as distribution invested capital. The  
28 definition of distribution invested capital in the adopted rule excludes indirect

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<sup>4</sup> Order Adopting New §25.243 As Approved at the September 15, 2011 Open Meeting, Project No. 39465 – Rulemaking Related to Periodic Rate Adjustments at 33.

1 corporate costs without the need to define that term. Therefore, the adopted  
2 rule does not contain a definition of indirect corporate costs.” Thus, rather  
3 than specifying assets or projects that are arguably indirectly necessary to  
4 provide distribution service (e.g., “corporate aircraft and artwork”), the  
5 Commission opted to identify qualifying invested capital that is “categorized  
6 as distribution plant, distribution-related intangible plant, and distribution-  
7 related communication equipment and networks” as investment recorded in  
8 specific FERC accounts. Specifically, the Project No. 39465 Order explains  
9 that the benchmark for investment inclusion in a DCRF update is “the FERC  
10 uniform system of accounts (USOA)” and that PURA §36.210 circumscribes  
11 “the Commission’s discretion in expanding the definition of distribution  
12 invested capital beyond the well-established standards in the FERC USOA.”<sup>5</sup>  
13 Thus, consistent with the Commission’s treatment of similar intangible and  
14 communication equipment and networks in Oncor’s base-rate proceedings  
15 and, as reflected in the Commission-approved DCRF baseline, amounts  
16 appropriately recorded to the FERC USOA accounts prescribed in 16 TAC  
17 § 25.243(b)(3) are presumed by Oncor to be eligible for inclusion in a DCRF  
18 update proceeding.<sup>6</sup>

19 Q. ARE ANY OF THE COSTS BEING SOUGHT FOR INCLUSION IN THIS  
20 DCRF APPLICATION REFLECTED IN ANY OTHER REGULATORY  
21 RECOVERY MECHANISM OR SURCHARGE?

22 A. No. The costs and investments sought for inclusion in this DCRF Application  
23 are not included in any other cost recovery mechanism.

24 Q. DOES THIS DCRF APPLICATION INCLUDE THE MOST RECENT  
25 EARNINGS MONITORING REPORT FILED BY ONCOR WITH THE  
26 COMMISSION PURSUANT TO 16 TAC § 25.73(b)?

---

<sup>5</sup> *Id.*

<sup>6</sup> *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 53601, Order on Rehearing, Finding of Fact No. 369 (Jun. 30, 2023).

1 A. Yes. As directed in DCRF-RFP General Instruction 5 (see "Note 4"), the  
2 Company has included a copy of its 2022 EMR as Schedule K of this  
3 Application. Similar to the other schedules filed in this current Application,  
4 Oncor has provided Schedule K in Microsoft Excel format with all workbooks  
5 and all linked workbooks having all formulas, cell references, links, etc.,  
6 intact, functioning, and complete.

7 B. Rate of Return

8 Q. DOES THE ONCOR 2022 EMR INDICATE THAT THE COMPANY IS  
9 EARNING MORE THAN ITS AUTHORIZED RATE OF RETURN USING  
10 WEATHER-NORMALIZED DATA?

11 A. No. As reflected on Schedule III of the 2022 EMR (see page 7 of DCRF-  
12 RFP Schedule K in this Application), Oncor's weather-adjusted rate of return  
13 on its 2022 year-end total of invested capital was 6.03%, with an earned  
14 return on ending equity ("ROE") of 8.12%. The rate of return is significantly  
15 below (*i.e.*, -62 basis points or -\$128.6 million) the 6.65% weighted average  
16 cost of capital authorized in the Order on Rehearing in Docket No. 53601,<sup>7</sup>  
17 as well as Oncor's actual 6.78% weighted average cost of capital at  
18 December 31, 2022, as reflected in Schedule V of Oncor's 2022 EMR (see  
19 page 9 of DCRF-RFP Schedule K in this Application, which reflects the 9.8%  
20 return on equity in effect during 2022, as authorized in Commission Docket  
21 No. 46957). Similarly, Oncor's weather-adjusted rate of return during 2022  
22 was also below the alternatively calculated rate of return of 6.86% reflected  
23 in the Company's 2021 DCRF application.<sup>8</sup>

24 Q. DOES THE COMPANY'S 2022 EMR REFLECT THE CAPITALIZED PLANT  
25 DISALLOWANCES ORDERED BY THE COMMISSION IN DOCKET NO.  
26 53601?

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<sup>7</sup> *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 53601, Order on Rehearing, Finding of Fact No. 190 (Jun. 30, 2023).

<sup>8</sup> *Application of Oncor Electric Delivery Company LLC for Approval to Amend Its Distribution Cost Recovery Factor*, Docket No. 51996, Order, Finding of Fact No. 21 (Jul. 30, 2021).



1 A. No. As I discuss later in my direct testimony (see Section IV.D.), Oncor's  
2 financial records and statements for the year ended December 31, 2022 had  
3 already been closed and publicly reported prior to the Commission's June  
4 30, 2023 issuance of its Order on Rehearing in Docket No. 53601.

5 Q. DOES A PROFORMA ADJUSTMENT FOR THE EFFECTS OF THE  
6 DOCKET NO. 53601 CAPITALIZED PLANT DISALLOWANCE TO THE  
7 YEAR-END 2022 RATE BASE REFLECTED IN ONCOR'S 2022 EMR  
8 INDICATE THAT THE COMPANY IS EARNING IN EXCESS OF ITS  
9 AUTHORIZED RETURN?

10 A. No. As calculated on my testimony workpaper WP/2022\_PF-RoR, adjusting  
11 for the effects of the Docket No. 53601 capitalized compensation and benefit  
12 costs disallowed, Oncor's weather-adjusted rate of return would increase by  
13 two basis points (*i.e.*, from 6.03% to 6.05%), but still significantly below  
14 Oncor's authorized rate of return of 6.65%.

15 **IV. DISTRIBUTION INVESTED CAPITAL SUMMARY**

16 Q. PLEASE PROVIDE A SUMMARY OF ONCOR'S NET DISTRIBUTION  
17 INVESTED CAPITAL AS OF JUNE 30, 2023.

18 A. As shown on Schedule B of the DCRF-RFP in this Application, Oncor's Net  
19 Distribution Invested Capital (*i.e.*, Distribution rate base) at the end of the  
20 June 30, 2023 DCRF update period reflected in this Application is  
21 approximately \$11.41 billion. This represents net growth during the 18  
22 months ending June 30, 2023 of approximately \$1.77 billion over the DCRF  
23 baseline of \$9.64 billion at year-end 2021 as approved in the Compliance  
24 Filing for Final Order in Docket No. 53601 (Docket No. 54817). As shown  
25 on DCRF-RFP Schedule B-1, this growth in Distribution rate base includes  
26 \$2.37 billion of plant additions during the 18-month update period less \$391  
27 million of retirements and net plant adjustments recorded during the update  
28 period. As shown on DCRF-RFP Schedule B-5, during the 18-month DCRF  
29 update period, the net credit provision of accumulated depreciation costs  
30 reflected in the Distribution rate base increased by \$187.4 million. In

1 addition, as shown on DCRF-RFP Schedule E-3.10, Oncor's net credit of  
2 accumulated deferred federal income taxes ("ADFIT") included in the  
3 Distribution rate base increased \$25.3 million over the DCRF baseline based  
4 on the year-end 2021 values determined in Oncor's most recent base-rate  
5 proceeding (Docket No. 53601).

6 A. Components of Distribution Rate Base

7 Q. PLEASE DESCRIBE THE COMPONENTS OF DISTRIBUTION RATE  
8 BASE REFLECTED ON SCHEDULE B OF THE DCRF-RFP.

9 A. Pursuant to 16 TAC § 25.243(b)(3), the "parts of the electric utility's invested  
10 capital, as described in PURA §36.053, that are categorized as distribution  
11 plant, distribution-related intangible plant, and distribution-related  
12 communication equipment and networks properly recorded in (FERC USOA)  
13 Accounts 303, 352, 353, 360 through 374, 391, and 397" are recognized as  
14 components of DIC subject to update in a DCRF proceeding. Further, 16  
15 TAC § 25.243(b)(4) defines "Net distribution invested capital" as DIC less  
16 accumulated depreciation and adjusted for any changes in distribution-  
17 related accumulated deferred federal income taxes and excluding any  
18 impact associated with Financial Accounting Standards Board Interpretation  
19 No. 48 (FIN 48)." In addition to the guidance in the DCRF-RFP instructions,  
20 Finding of Fact No. 370 of the Order on Rehearing in Docket No. 53601  
21 provides that the "portion of plant-related ADFIT that has become an excess  
22 ADFIT regulatory liability based on the effects of the Tax Cuts and Jobs Act  
23 should be included in the DCRF baseline." Accordingly, the Net DIC (*i.e.*,  
24 Distribution rate base) reflected in this DCRF update application includes  
25 changes in the excess ADFIT regulatory liability balance that is presently  
26 being returned to ratepayers.

27 Q. WHAT GUIDANCE IS AVAILABLE TO ENSURE THAT CAPITAL COSTS  
28 ARE PROPERLY RECORDED IN THE UPDATABLE DISTRIBUTION  
29 INVESTED CAPITAL ACCOUNTS?

1 A. In general, the FERC USOA defines the various components of electric plant  
2 as the "installed" cost of the asset [e.g., FERC USOA no. 362 (*Station*  
3 *equipment*) provides that this "account shall include the cost installed of  
4 station equipment, including transformer banks, etc., which are used for the  
5 purpose of changing the characteristics of electricity in connection with its  
6 distribution," and FERC USOA no. 364 (*Poles, towers and fixtures*) provides  
7 that this "account shall include the cost installed of poles, towers, and  
8 appurtenant fixtures used for supporting overhead distribution conductors  
9 and service wires."] The FERC USOA descriptions for account numbers 368  
10 (*Line transformers*) and 370 (*Meters*) include the phrase "whether actually in  
11 service or held in reserve," recognizing the necessity to maintain sufficient  
12 capital spares in readiness to facilitate electric delivery service reliability.  
13 The FERC USOA also provides specific direction on recording the costs of  
14 land and land rights used in connection with distribution operations (e.g., see  
15 FERC USOA no. 360 and Electric Plant Instruction No. 7).

16 Q. HAS ONCOR INCLUDED THE COSTS OF RESERVE TRANSFORMERS  
17 AND METER UNITS, AS REFLECTED IN ELECTRIC PLANT IN SERVICE,  
18 AS PART OF THIS DCRF UPDATE APPLICATION?

19 A. Yes. Consistent with the FERC USOA guidance for the accounting of such  
20 costs and the Company's long-standing accounting practice for reserve  
21 units, Oncor's September 2023 DCRF update application reflects these  
22 costs in the calculation of DIC. Company witness Mr. Snelleman provides  
23 additional information about Oncor's investment in transformers, capacitors,  
24 voltage regulators, and metering equipment in his direct testimony, including  
25 details on reserve assets held in a ready for service condition.

26 Q. IS IT NECESSARY FOR ELECTRIC PLANT ASSETS TO BE "ENERGIZED"  
27 TO BE CONSIDERED IN SERVICE?

28 A. No. FERC USOA Electric Plant Instruction No. 17 defines such reserve  
29 investment as *Electric Plant in Service*, noting that "(w)hen a part only of a  
30 plant or project is placed in operation or is completed and ready for service

1 but the construction work as a whole is incomplete, that part of the cost of  
2 the property placed in operation or ready for service, shall be treated as  
3 *Electric Plant in Service* and allowance for funds used during construction  
4 thereon as a charge to construction shall cease" (emphasis added). Thus,  
5 assets that are ready for service, such as spare transformers, capacitors,  
6 and meters, are defined as Electric Plant in Service because they are ready  
7 for service, even though the installation related to their energization has not  
8 been completed.

9 Q. ARE THE COSTS OF DISTRIBUTION-RELATED ELECTRIC PLANT  
10 PROPERLY RECORDED IN ONCOR'S FINANCIAL AND ACCOUNTING  
11 SYSTEMS?

12 A. Yes. The components of Oncor's distribution plant in service as of the end  
13 of the June 30, 2023 DCRF update period are recorded at cost in accordance  
14 with FERC USOA guidelines and US GAAP. Furthermore, the amounts are  
15 recorded in a manner that is consistent with Oncor's accounting practices  
16 and policies that existed during the Company's last base-rate proceeding,  
17 Docket No. 53601.

18 Q. ARE THERE ADDITIONAL DISTRIBUTION ASSETS THAT ARE NOT  
19 PERMANENTLY INSTALLED REFLECTED IN THIS DCRF UPDATE  
20 APPLICATION?

21 A. Yes. As addressed in the direct testimony of Mr. Snelleman, Oncor also  
22 maintains a number of spare distribution substation power transformers and  
23 mobile substation equipment to further enhance the Company's ability to  
24 maintain the reliability of Oncor's distribution system. Similar to distribution  
25 plant reserve investment in transformers and meters, these critical capital  
26 spares are appropriately recorded in capital accounts as directed by the  
27 FERC USOA. Further, such reserve assets are used and useful because  
28 they are "ready for service" in meeting the Company's obligation to provide  
29 safe and dependable delivery of electricity to Oncor's electric distribution  
30 customers.

1 Q. ARE THERE OTHER UNIQUE COMPONENTS OF DISTRIBUTION PLANT  
2 THAT ARE CONSIDERED READY FOR SERVICE WHEN ACQUIRED?

3 A. Yes. Notably, land owned in fee requires no construction activity to be  
4 capable of meeting its intended distribution plant purpose. The FERC USOA  
5 is clear in directing that a Land and land rights account (e.g., Account no.  
6 360 for distribution plant)<sup>9</sup> shall include the cost of the land owned in fee or  
7 rights, but any construction activity on the land shall be recorded in the  
8 appropriate plant accounts directly benefited (e.g., Account no. 361  
9 Structures and improvements). Thus, land is considered to be ready for  
10 providing service when it is acquired.

11 As addressed in Mr. Snelleman's direct testimony, there are  
12 operational and economic reasons why Oncor must purchase land for  
13 substations in advance of construction. In general, with regard to land for  
14 such future substation sites, Oncor records the land in plant in service if  
15 design and construction activities are expected to begin within 18-24  
16 months. Typically, for land where construction activities are not expected to  
17 commence within 24 months, the investment is recorded in electric plant held  
18 for future use (FERC USOA no. 105). Only land additions that have been  
19 recorded in plant in service have been included in this DCRF update  
20 application.

21 Q. SINCE THE 2021 TEST-YEAR IN THE COMPANY'S MOST RECENT  
22 COMPREHENSIVE BASE-RATE PROCEEDING, HAS ONCOR  
23 IMPLEMENTED ANY CHANGE IN ACCOUNTING RULES OR PRACTICES  
24 THAT AFFECT DISTRIBUTION INVESTED CAPITAL?

25 A. No. The adoption of new distribution property units or the adjustment of  
26 existing property unit definitions related to utility operations occurs in the  
27 normal course of business. Oncor's accounting practices reflect sufficient  
28 flexibility to address this dynamic nature of the industry. During the 18-month

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<sup>9</sup> Oncor also uses FERC USOA no. 374 to identify non-depreciable land owned in fee.

1 period ending June 30, 2023, Oncor modestly revised existing property units  
2 to break out certain smaller components to better reflect technological  
3 changes, safety improvements, or other operating practices. The FERC  
4 USOA accounts affected by the creation of the newly adopted property units  
5 arising from such breakouts may include investment in accounts that are  
6 appropriately classified as distribution plant and are subject to update in a  
7 DCRF application. However, as of June 30, 2023, there were no smaller  
8 newly-defined property units that had been created subsequent to the  
9 Docket No. 53601 test-year-end.

10 B. Distribution Investment at Transmission Substations

11 Q. HAVE ANY AMOUNTS RECORDED TO TRANSMISSION ACCOUNTS  
12 BEEN REFLECTED IN ONCOR'S DCRF UPDATE APPLICATION?

13 A. Yes. As is common in the electricity delivery industry, the definition of  
14 "Distribution invested capital" prescribed in 16 TAC § 25.243(b)(3) includes  
15 utility plant recorded in FERC USOA Transmission Plant account numbers  
16 352 (*Structures and improvements*) and 353 (*Station equipment*). Oncor has  
17 not recorded any distribution-related plant investment in FERC USOA no.  
18 352. However, even though the vast majority of Oncor's station equipment  
19 recorded in FERC USOA no. 353 is transmission-related, there are certain  
20 elements of these station equipment costs that function as distribution-  
21 related plant and are therefore included in the Company's DCRF update  
22 applications. Further, as is also common in the electricity delivery industry,  
23 certain costs appropriately recorded by Oncor in FERC USOA Distribution  
24 Plant account numbers 361 (*Structures and improvements*) and 362 (*Station*  
25 *equipment*) function as transmission-related plant and have been excluded  
26 from the Company's DCRF update applications.<sup>10</sup>

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<sup>10</sup> As a result, such transmission-related costs recorded in FERC USOA Distribution Plant account numbers 361 and 362 are appropriately reflected in the Company's interim TCOS updates.

1 Q. HOW IS ONCOR ABLE TO DISTINGUISH WHETHER ELECTRIC PLANT  
2 RECORDED IN FERC USOA ACCOUNT NUMBERS 352, 353, 361, AND  
3 362 SHOULD BE CLASSIFIED AS DISTRIBUTION-RELATED PLANT?

4 A. Oncor's plant accounting records reflect the voltage rating of substation  
5 equipment and provide a reasonable functional assignment between  
6 distribution and transmission operations for much of the investment.  
7 However, certain substation equipment is common to both distribution and  
8 transmission facilities. These common costs are allocated between  
9 distribution and transmission based on the percentage of the value of the  
10 directly assignable distribution and transmission costs to total assignable  
11 costs. This long-employed accounting practice is consistent with the cost  
12 allocation methodology used in Oncor's last base-rate case (Docket No.  
13 53601).

14 Accordingly, as shown in my Exhibit WAL-2, approximately \$420.0  
15 million (\$301.8 million, net of accumulated depreciation) of the investment  
16 recorded in Oncor's FERC USOA no. 353 is allocated to the distribution  
17 function and appropriately reflected in this DCRF update application.  
18 Conversely, as reflected in the TRAN column of my Exhibit WAL-2,  
19 approximately \$783.3 million (\$645.5 million, net of accumulated  
20 depreciation) of the land and other investment recorded in Oncor's FERC  
21 USOA numbers 360, 361, and 362 at June 30, 2023 have been excluded  
22 from this DCRF update application.

23 C. Other Distribution and Distribution-Related Investment

24 Q. HAS ONCOR INCLUDED ANY AMOUNTS RECORDED IN INTANGIBLE  
25 AND GENERAL PLANT ACCOUNTS IN THIS DCRF UPDATE REQUEST?

26 A. Yes. Plant costs reflected in FERC USOA numbers 303 (*Miscellaneous*  
27 *intangible plant*), 391 (*Office furniture and equipment*), and 397  
28 (*Communication equipment*) are includable in "Distribution invested capital,"  
29 as defined in 16 TAC § 25.243(b)(3). The FERC USOA does not directly  
30 identify these accounts as distribution-related plant, but both the enabling

1 legislation in PURA § 36.210 and the Commission's Substantive Rules  
2 indicate that such intangible and general plant support distribution  
3 operations (e.g., technology and communication investment reflected in  
4 Oncor's financial records that enable retail customer care and billing or  
5 increased employee/contractor efficiencies in performing distribution-related  
6 job responsibilities). The amounts reflected in these accounts have been  
7 functionalized between the transmission and distribution functions using the  
8 same cost assignment and allocation methodologies employed in Oncor's  
9 most recent base-rate case (Docket No. 53601) in order to ensure that this  
10 DCRF update application reflects only the distribution-related component of  
11 these critical costs.

12 Q. HOW HAS THE COMPANY ASSIGNED THE NET CHANGE IN GENERAL  
13 PLANT ASSETS REFLECTED IN FERC USOA NUMBER 391 TO THE  
14 DISTRIBUTION FUNCTION?

15 A. The net increase in plant account investment refers to the costs of new  
16 investment added during a period less any amount of investment that was  
17 retired from service during that same period. For purposes of this DCRF  
18 update application, computer equipment that is recorded in FERC USOA no.  
19 391, such as investments in data processing and storage equipment, has  
20 been allocated between the distribution and transmission functions based on  
21 the related functionalization of computer business software investment to  
22 which the hardware is dedicated. My Exhibit WAL-3 reflects the computer  
23 equipment investment allocation ratios from Docket No. 53601. For the  
24 equipment additions recorded during the 18 months ending June 30, 2023,  
25 23.19% were allocated to the transmission function and the remainder to  
26 distribution. Similarly, for the equipment retirements recorded during the 18-  
27 month update period, 23.19% were allocated to transmission and the  
28 remainder to distribution. In addition, my Exhibit WAL-3 depicts that all of  
29 the net Advanced Metering System computer-related investment continues  
30 to be allocated to the distribution function.



1 Q. HOW HAS THE COMPANY ASSIGNED THE GENERAL PLANT ASSETS  
2 REFLECTED IN FERC USOA NO. 303 TO THE DISTRIBUTION  
3 FUNCTION?

4 A. Costs reflected in Oncor's FERC USOA no. 303 (Miscellaneous intangible  
5 plant) have been directly assigned to either the transmission or distribution  
6 function to the extent possible based on the business system purpose of the  
7 investment and the Company's use of the assets. As shown on my Exhibit  
8 WAL-4, during the 18-month update period, Oncor added approximately  
9 \$144.9 million of new (net of retirements) investment in intangible plant. Of  
10 this net increase, \$43.1 million (29.7%) was directly assigned or allocated to  
11 transmission and the remaining 70.3% to distribution and distribution-related  
12 functions. Similar to the costs recorded in FERC USOA no. 391, for those  
13 costs recorded as common intangible systems that are not readily  
14 assignable to a function, the amounts have been allocated based on the  
15 methodology employed in Oncor's last base-rate case.

16 Q. HOW HAS THE COMPANY ASSIGNED THE NET CHANGE IN GENERAL  
17 PLANT ASSETS REFLECTED IN FERC USOA NO. 397 TO THE  
18 DISTRIBUTION FUNCTION?

19 A. Communication equipment recorded in FERC USOA no. 397 includes the  
20 Company's investment in its microwave system, fiber-optic networks, and  
21 system control and data acquisition or "SCADA" equipment. As shown on  
22 my Exhibit WAL-5, Oncor's overall net book value of investment in  
23 communication equipment recorded in FERC USOA no. 397 increased by  
24 approximately \$1.7 million during the 18 months ending June 30, 2023.  
25 However, the distribution-related communication equipment component  
26 reflected in my Exhibit WAL-5 decreased by \$2.1 million.<sup>11</sup> The investment  
27 in communication equipment assets has either been directly assigned or  
28 allocated to the transmission and distribution functions based on usage or

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<sup>11</sup> Reflects the effects of the disallowances in the Docket No. 53601 Order on Rehearing related to capitalized compensation and benefit costs.

1 location of the equipment, consistent with the methodology used in Oncor's  
2 last base-rate case.

3 In addition, as I will discuss in Section IV.D. of my direct testimony  
4 below, certain indirect construction overhead costs that were capitalized  
5 during the period 2017 through 2021 were disallowed in Oncor's most recent  
6 base-rate proceeding in Docket No. 53601. These disallowed costs were  
7 not recorded until after the 2022 financial closing. Accordingly, the effects  
8 of the disallowances have been assigned to the Company's distribution  
9 function in a manner consistent with the number running activities that  
10 support the Docket No. 53601 Order on Rehearing issued on June 30, 2023  
11 that applied the costs to FERC USOA no. 397.

12 D. Docket No. 53601 Adjustments

13 Q. PLEASE DESCRIBE THE ADJUSTMENTS ARISING FROM THE  
14 COMMISSION'S JUNE 30, 2023 ORDER ON REHEARING IN ONCOR'S  
15 MOST RECENT BASE-RATE CASE, DOCKET NO. 53601.

16 A. On February 28, 2023, Oncor filed its Form 10-K Annual Report Pursuant to  
17 Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Year  
18 Ended December 31, 2022 ("2022 Form 10-K"). Consequently, certain  
19 findings and rulings included in the Commission's June 30, 2023 Order on  
20 Rehearing in Docket No. 53601 were not reflected in the Company's financial  
21 statements reflected in the 2022 Form 10-K. As a result, during Oncor's  
22 reporting of its financial results for the quarter ended March 31, 2023, the  
23 Company disclosed that it was recognizing a charge against income for the  
24 effects of a disallowance of \$65 million<sup>12</sup> of certain employee benefit and  
25 compensation-related costs that had previously been capitalized primarily to

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<sup>12</sup> *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*,  
Docket No. 53601, Order on Rehearing, Finding of Fact Nos. 136, 181, 182, and 183 (Jun. 30,  
2023).

property, plant and equipment during the period of 2017 through 2021,<sup>13</sup> as well as an additional \$4 million charge against income due to certain similar employee benefit and compensation related costs that were capitalized during 2022.

Q. DOES THE ACCOUNTING RECOGNITION OF THE DISALLOWED EMPLOYEE BENEFIT AND COMPENSATION-RELATED COSTS NECESSITATE AN ADJUSTMENT TO THE DCRF-RFP SCHEDULES IN THIS APPLICATION?

A. No. Even though the 2022 financial records of Oncor were completed prior to the issuance of the Order on Rehearing in Docket No. 53601, the effects of the disallowed property, plant and equipment balances have already been reflected in the DCRF baseline.

#### **V. DEPRECIATION AND AMORTIZATION FACTORS**

Q. PLEASE DISCUSS THE DEPRECIATION AND AMORTIZATION EXPENSE THAT ONCOR IS REQUESTING IN THIS DCRF UPDATE APPLICATION.

A. In general, during 2022 and the first four months of 2023, Oncor's depreciation and amortization ("D&A") expense was determined by the rates established in the Company's 2017 comprehensive base-rate proceeding in Docket No. 46957.<sup>14</sup> Consistent with the Order on Rehearing in Docket No. 53601, the D&A rates reflected in Schedule E-1 in this DCRF Update Application represent the D&A rates currently in effect for Oncor. Accordingly, DCRF-RFP Schedule E-1 indicates that Oncor's baseline distribution and distribution-related D&A expense approximates \$543.4 million annually. Applying the D&A rates from Docket No. 53601 to the net incremental distribution and distribution-related plant in service additions and

<sup>13</sup> The time period of 2017 through 2021 reflects the period of time after the end of the 2016 test year in the Company's prior base-rate case, Docket No. 46957, and the end of the 2021 test year in the most recent base-rate case, Docket No. 53601.

<sup>14</sup> This amount excludes the amortization rate for certain investment in intangible information technology systems reflected in the Order approving Oncor's 2021 application to amend its DCRF in Docket No. 51996.

1 retirements of \$1,980.9 million realized during the 18-month period ending  
2 June 30, 2023 results in increased D&A expense of \$69.5 million to be  
3 included in this DCRF Update Application (see columns (4) and (6) of DCRF-  
4 RFP Schedule E-1).

5 **VI. SUMMARY AND CONCLUSION**

6 Q. PLEASE SUMMARIZE YOUR DIRECT TESTIMONY IN THIS 2023 DCRF  
7 UPDATE APPLICATION.

8 A. This September 2023 DCRF Application represents Oncor's second update  
9 to its distribution rates since the issuance of the Order on Rehearing in the  
10 Company's comprehensive base rate case, Docket No. 53601. The update  
11 period reflects incremental investment and costs related to the net additions  
12 and retirements of distribution and distribution-related assets incurred during  
13 calendar year 2022 and the first six months of 2023. As summarized on  
14 DCRF-RFP Schedule A, Oncor's updatable distribution revenue requirement  
15 increased \$232.1 million. After adjusting for customer usage and growth  
16 during the 18-month period, this Application supports an increase in DCRF  
17 rates of \$209.0 million, as shown on column (15) of Schedule J of the DCRF-  
18 RFP.

19 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

20 A. Yes.

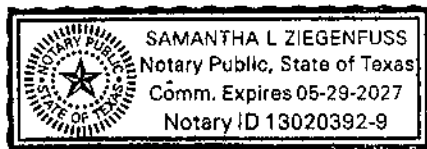
STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared W. Alan Ledbetter, who, having been placed under oath by me, did depose as follows:

My name is W. Alan Ledbetter. I am of legal age and a resident of the State of Texas. The Application in this proceeding complies with 16 TAC § 25.243 and Oncor's tariffs. The Application and the foregoing direct testimony and exhibits offered by me are true and correct, and the opinions stated therein are, to the best of my knowledge and belief, accurate, true, and correct.

  
W. Alan Ledbetter

**SUBSCRIBED AND SWORN TO BEFORE ME** by the said W. Alan Ledbetter this 13<sup>th</sup> day of September, 2023.



  
Notary Public, State of Texas

PUC Docket No. \_\_\_\_\_

**Ledbetter - Direct  
Oncor Electric Delivery  
September 2023 DCRF Application**

Oncor Electric Delivery Company LLC  
DCRF Update Comparison  
(Dollar Amounts in Millions)

<u>Line Ref</u>	<u>Description</u> (a)	<u>2016 Base-Rate</u> <u>Proceeding</u> (b)	<u>2016, Adjusted</u> <u>for TCJA</u> (c)	<u>2017 Update</u> <u>Period</u> (d)	<u>2018 Update</u> <u>Period</u> (e)	<u>2019 Update</u> <u>Period</u> (f)	<u>2020 Update</u> <u>Period</u> (g)	<u>Cumulative</u> <u>2017-2020</u> <u>DCRF Updates</u> (h)	<u>2021, *</u> (i)	<u>2022 Update</u> <u>Period</u> (j)	<u>01/01/2022 - 06/30/2023</u> <u>Update Period</u> (j)
1	PUC Docket Reference	46957	48325	48231	49427	50734	51996		53601	55190	Sep 2023 Application
2	Rate Base	\$ 6,424.2	\$ 6,421.3	\$ 6,751.5	\$ 7,258.8	\$ 7,945.3	\$ 8,805.6		\$ 9,643.8	\$ 10,744.3	\$ 11,412.0
3	Revenue Requirement	\$ 3,393.5	\$ 3,254.1	\$ 3,286.9	\$ 3,334.7	\$ 3,418.7	\$ 3,530.5		\$ 4,180.8	\$ 4,328.3	\$ 4,412.9
4	Revenue Requirement Increase			\$ 32.8	\$ 47.7	\$ 84.1	\$ 101.7	\$ 266.4		\$ 147.5	\$ 232.1
5	Customer Growth Adjustment			\$ (17.6)	\$ (22.5)	\$ (14.2)	\$ (13.8)	\$ (68.1)		\$ 5.3	\$ (23.1)
6	Incremental DCRF Increase			\$ 15.2	\$ 25.2	\$ 69.9	\$ 87.9	\$ 198.2		\$ 152.8	\$ 209.0
7	Less ERP Over-recovery Adjustment **			\$ -	\$ -	\$ -	\$ (0.1)	\$ (0.1)		\$ -	\$ -
8	Cumulative DCRF Increase			\$ 15.2	\$ 40.4	\$ 110.3	\$ 198.2	\$ 198.2		\$ 152.8	\$ 209.0

\* With the implementation of new base rates resulting from the order in Docket No. 53601 (test-year ending December 31, 2021), Oncor's existing Rider DCRF tariff rates (that had been in effect since September 1, 2021, as authorized in Docket No. 51996) were reset to zero, effective on May 1, 2023.

\*\* Docket No. 53601 order on rehearing, Finding of Fact No. 397. Oncor proposes to delete the following riders from its tariff for retail delivery service: rider RS (remand surcharge), rider CSR (capital structure refund), rider TRF (tax refund factor), and rider ERP (COVID-19 electricity relief program). Oncor demonstrated that all of the applicable expenses or credits have been recovered (or credited) and are no longer applicable.

Oncor Electric Delivery Company LLC  
Distribution Cost Recovery Factor  
DCRF Plant Accounts Shared with Transmission  
Update Period 01/01/2022 - 06/30/2023

Plant Account	Description	06-30-23 Balances	06-30-23 TRAN Investment	06-30-23 DCRF Investment	12-31-22 Balances	12-31-22 TRAN Investment	12-31-22 DCRF Investment
<b>Gross Investment:</b>							
352	Structures and Improvements	406,597,016.91	406,597,016.91	0.00	370,330,883.75	370,330,883.75	0.00
353	Station Equipment	3,968,641,026.59	3,548,682,024.63	419,959,001.96	3,787,063,530.87	3,374,666,475.47	412,397,055.40
360	Land and Land Rights *	137,867,847.55	30,522,541.97	107,345,305.58	129,040,870.84	28,475,800.15	100,565,070.69
361	Structures and Improvements	252,676,499.76	74,031,847.78	178,644,651.98	229,115,505.16	66,524,282.74	162,591,222.42
362	Station Equipment	2,683,298,667.80	678,704,368.40	2,004,594,299.40	2,545,338,590.29	641,969,724.36	1,903,368,865.93
		<u>7,449,081,058.61</u>	<u>4,738,537,799.69</u>	<u>2,710,543,258.92</u>	<u>7,060,889,380.91</u>	<u>4,481,967,166.47</u>	<u>2,578,922,214.44</u>
<b>Accumulated Depreciation:</b>							
352	Structures and Improvements	(130,701,440.55)	(130,701,440.55)	0.00	(124,392,987.51)	(124,392,987.51)	0.00
353	Station Equipment	(865,066,409.88)	(746,863,887.79)	(118,202,522.09)	(836,081,727.31)	(721,939,635.44)	(114,142,091.87)
360	Land and Land Rights *	(9,916,782.91)	(277,181.55)	(9,639,601.36)	(9,833,029.66)	(269,871.88)	(9,563,157.78)
361	Structures and Improvements	(60,307,710.91)	(15,544,182.49)	(44,763,528.42)	(58,816,239.53)	(15,202,889.52)	(43,613,350.01)
362	Station Equipment	(598,989,163.37)	(121,966,462.49)	(477,022,700.88)	(588,858,971.73)	(119,294,599.93)	(469,564,371.80)
		<u>(1,664,981,507.62)</u>	<u>(1,015,353,154.87)</u>	<u>(649,628,352.75)</u>	<u>(1,617,982,955.74)</u>	<u>(981,099,984.28)</u>	<u>(636,882,971.46)</u>
<b>Net Investment:</b>							
352	Structures and Improvements	275,895,576.36	275,895,576.36	0.00	245,937,896.24	245,937,896.24	0.00
353	Station Equipment	3,103,574,616.71	2,801,818,136.84	301,756,479.87	2,950,981,803.56	2,652,726,840.03	298,254,963.53
360	Land and Land Rights *	127,951,064.64	30,245,360.42	97,705,704.22	119,207,841.18	28,205,928.27	91,001,912.91
361	Structures and Improvements	192,368,788.85	58,487,665.29	133,881,123.56	170,299,265.63	51,321,393.22	118,977,872.41
362	Station Equipment	2,084,309,504.43	556,737,905.91	1,527,571,598.52	1,956,479,618.56	522,675,124.43	1,433,804,494.13
		<u>5,784,099,550.99</u>	<u>3,723,184,644.82</u>	<u>2,060,914,906.17</u>	<u>5,442,906,425.17</u>	<u>3,500,867,182.19</u>	<u>1,942,039,242.98</u>

Excludes Oncor NTU

\* Includes A374 Land Owned in Fee

Oncor Electric Delivery Company LLC  
Distribution Cost Recovery Factor  
Distribution Plant - Computer Equipment  
Update Period 01/01/2022 - 06/30/2023

Plant Account	Description	Total Computer Equipment	TRAN Computer Equipment	DCRF Computer Equipment	Accumulated Depreciation for Computer Equipment	Accumulated Depreciation for TRAN Computer Equipment	Accumulated Depreciation for DCRF Computer Equipment
	AMS Related 12-31-2021	16,170,086.25	0.00	16,170,086.25	(12,803,165.57)	0.00	(12,803,165.57)
	Non-AMS Related 12-31-2021	285,151,594.33	66,131,839.87	219,019,754.46	(140,518,721.78)	(32,588,846.75)	(107,929,875.03)
391	Balance at 12-31-2021	301,321,680.58	66,131,839.87	235,189,840.71	(153,321,887.35)	(32,588,846.75)	(120,733,040.60)
	AMS Related	0.00	0.00	0.00			
	Non-AMS Related	23,666,456.58	5,488,681.62	18,177,774.96			
	2022 Computer Equipment Additions	23,666,456.58	5,488,681.62	18,177,774.96			
	AMS Related	0.00	0.00	0.00			
	Non-AMS Related	(106,464,192.21)	(24,690,982.10)	(81,773,210.11)			
	2022 Computer Equipment Retirements *	(106,464,192.21)	(24,690,982.10)	(81,773,210.11)			
	AMS Related	0.00	0.00	0.00			
	Non-AMS Related	0.00	0.00	0.00			
	2022 Computer Equipment Transfers	0.00	0.00	0.00			
	AMS Related 12-31-2022	16,170,086.25	0.00	16,170,086.25	(15,827,111.69)	0.00	(15,827,111.69)
	Non-AMS Related 12-31-2022	202,353,858.70	46,929,539.39	155,424,319.31	(44,207,400.34)	(10,252,500.01)	(33,954,900.33)
391	Balance at 12-31-2022	218,523,944.95	46,929,539.39	171,594,405.56	(60,034,512.03)	(10,252,500.01)	(49,782,012.02)

Note:

Computer Equipment for AMS direct assigned to Metering function consistent with Docket No. 53601. The remaining computer equipment allocated based on Intangible Investment (A303) from Docket No. 53601 as shown below:

Total	TRAN	DIST	MET	TDCS	DCRF Total
1,066,350,281.07	247,306,020.55	323,333,372.82	185,301,712.96	310,409,174.74	819,044,260.52
	23.19%	30.32%	17.38%	29.11%	76.81%

Excludes Oncor NTU

\* Includes proforma retirements recorded in 2023 to reflect Docket No. 53601 approved seven-year life, effective May 1, 2023, from Docket No. 46957 previously approved 15-year life under AR-15 (Reference WP/Schedule B-5/2)



Oncor Electric Delivery Company LLC  
Distribution Cost Recovery Factor  
Distribution Plant - Computer Equipment  
Update Period 01/01/2022 - 06/30/2023

Plant Account	Description	Total Computer Equipment	TRAN Computer Equipment	DCRF Computer Equipment	Accumulated Depreciation for Computer Equipment	Accumulated Depreciation for TRAN Computer Equipment	Accumulated Depreciation for DCRF Computer Equipment
	AMS Related 12-31-2022	16,170,086.25	0.00	16,170,086.25	(15,827,111.69)	0.00	(15,827,111.69)
	Non-AMS Related 12-31-2022	202,353,858.70	46,929,539.39	155,424,319.31	(44,207,400.34)	(10,252,500.01)	(33,954,900.33)
391	Balance at 12-31-2022	218,523,944.95	46,929,539.39	171,594,405.56	(60,034,512.03)	(10,252,500.01)	(49,782,012.02)
	AMS Related	0.00	0.00	0.00			
	Non-AMS Related	2,575,026.44	597,195.43	1,977,831.01			
	January - June 2023 Computer Equipment Additions	2,575,026.44	597,195.43	1,977,831.01			
	AMS Related	(640,330.09)	0.00	(640,330.09)			
	Non-AMS Related	0.00	0.00	0.00			
	January - June 2023 Computer Equipment Retirements	(640,330.09)	0.00	(640,330.09)			
	AMS Related	0.00	0.00	0.00			
	Non-AMS Related	0.00	0.00	0.00			
	January - June 2023 Computer Equipment Transfers	0.00	0.00	0.00			
	AMS Related 06-30-2023	15,529,756.16	0.00	15,529,756.16	(16,328,782.39)	0.00	(16,328,782.39)
	Non-AMS Related 06-30-23	204,928,885.14	47,526,734.82	157,402,150.32	(57,239,466.35)	(13,274,873.09)	(43,964,593.26)
391	Balance at 06-30-2023	220,458,641.30	47,526,734.82	172,931,906.48	(73,568,248.74)	(13,274,873.09)	(60,293,375.65)

Note:

Computer Equipment for AMS direct assigned to Metering function consistent with Docket No. 53601. The remaining computer equipment allocated based on Intangible Investment (A303) from Docket No. 53601 as shown below:

Total	TRAN	DIST	MET	TDCS	DCRF Total
1,066,350,281.07	247,306,020.55	323,333,372.82	185,301,712.96	310,409,174.74	819,044,260.52
	23.19%	30.32%	17.38%	29.11%	76.81%

Excludes Oncor NTU

Oncor Electric Delivery Company LLC  
Distribution Cost Recovery Factor  
Distribution Plant - Intangible  
Update Period 01/01/2022 - 06/30/2023

Plant Account	Description	Allocation Methodology	Total Intangible	TRAN Intangible	Total DCRF Intangible	DCRF Intangible Plant by Recoverable Life				
						3-year Life	5-year Life	8-year Life	15-year Life	AMS 7-year Life
303	<u>Gross Investment</u> Balance at 12-31-2021		1,066,350,281.07	247,306,020.55	819,044,260.52	214,681.57	18,575,397.65	172,777,633.63	481,308,731.46	146,167,816.21
	Transmission Function	Direct Assigned	13,011,014.73	13,011,014.73	0.00	0.00	0.00	0.00	0.00	0.00
	Distribution Function	Direct Assigned	101,068,333.49	0.00	101,068,333.49	0.00	1,305,741.13	10,303,683.57	89,458,908.79	0.00
	Meter Function	Direct Assigned	4,569,547.50	0.00	4,569,547.50	0.00	96,238.88	0.00	4,473,308.62	0.00
	TDCS Function	Direct Assigned	21,531,963.73	0.00	21,531,963.73	0.00	1,901,778.15	15,615,426.03	4,014,759.55	0.00
	Common Intangible Systems	Allocated by Net Plant Factor from Docket No. 53601	57,067,826.65	27,045,489.60	30,022,137.05	0.00	3,921,742.48	25,015,016.50	82,378.07	0.00
	<b>2022 Intangible Additions</b>		197,248,486.10	40,056,504.33	157,191,981.77	0.00	7,225,500.64	51,937,126.10	98,029,355.03	0.00
	Transmission Function	Direct Assigned	(6,647,025.99)	(6,647,025.99)	0.00	0.00	0.00	0.00	0.00	0.00
	Distribution Function	Direct Assigned	(4,818.10)	0.00	(4,818.10)	0.00	(4,818.10)	0.00	0.00	0.00
	Meter Function	Direct Assigned	(54,322,085.39)	0.00	(54,322,085.39)	0.00	0.00	(320,814.48)	(9,249,230.76)	(44,752,040.15)
	TDCS Function	Direct Assigned	(3,903,506.42)	0.00	(3,903,506.42)	0.00	(73,364.21)	(3,830,142.21)	0.00	0.00
	Common Intangible Systems	Allocated by Net Plant Factor from Docket No. 53601	(15,383,741.51)	(7,290,662.79)	(8,093,078.72)	0.00	(3,095,003.45)	(2,043,566.75)	(2,954,508.52)	0.00
	<b>2022 Intangible Retirements</b>		(80,261,177.41)	(13,937,668.78)	(66,323,488.63)	0.00	(3,173,185.76)	(6,194,523.44)	(12,203,739.28)	(44,752,040.15)
	Transmission Function	Direct Assigned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Distribution Function	Direct Assigned	368,097.17	0.00	368,097.17	0.00	0.00	368,097.17	0.00	0.00
	Meter Function	Direct Assigned	0.00	0.00	0.00	0.00	0.00	96,238.88	(96,238.88)	0.00
	TDCS Function	Direct Assigned	0.00	0.00	0.00	0.00	1,894,686.82	(3,296,666.86)	1,401,980.04	0.00
	Common Intangible Systems	Allocated by Net Plant Factor from Docket No. 53601	(368,097.17)	(174,448.61)	(193,648.56)	0.00	0.00	(193,648.56)	0.00	0.00
	<b>2022 Intangible Transfers &amp; Adjustments</b>		0.00	(174,448.61)	174,448.61	0.00	1,894,686.82	(3,025,979.37)	1,305,741.16	0.00
303	<b>Balance at 12-31-2022</b>		1,183,337,589.76	273,250,387.49	910,087,202.27	214,681.57	24,522,399.35	215,494,256.92	568,440,088.37	101,415,776.06
303	<u>Accumulated Depreciation/Amortization</u> Balance at 12-31-2022		(443,260,191.96)	(97,113,620.68)	(346,146,571.28)	(141,912.98)	(7,712,147.89)	(82,309,625.08)	(155,541,449.42)	(100,441,435.91)
303	<u>Net Investment</u> Balance at 12-31-2022		740,077,397.80	176,136,766.81	563,940,630.99	72,768.59	16,810,251.46	133,184,631.84	412,898,638.95	974,340.15
Note: Net Plant Less Intangible & Non-AMS Computer Equipment from Docket No. 53601			<b>Total</b> 18,798,059,958.27	<b>TRAN</b> 8,908,727,870.84 47.392%	<b>DIST</b> 9,592,597,335.75 51.030%	<b>MET</b> 279,565,292.44 1.487%	<b>TDCS</b> 17,168,559.24 0.091%	<b>Total DCRF</b> 9,889,331,187.43 52.608%		

Oncor Electric Delivery Company LLC  
Distribution Cost Recovery Factor  
Distribution Plant - Intangible  
Update Period 01/01/2022 - 06/30/2023

Plant Account	Description	Allocation Methodology	Total Intangible	TRAN Intangible	Total DCRF Intangible	DCRF Intangible Plant by Recoverable Life				
						3-year Life	5-year Life	8-year Life	15-year Life	AMS 7-year Life
303	Gross Investment* Balance at 12-31-2022		1,183,337,589.76	273,250,387.49	910,087,202.27	214,881.57	24,522,399.35	215,484,256.02	508,440,088.37	101,415,776.06
	Transmission Function	Direct Assigned	6,144,469.42	6,144,469.42	0.00	0.00	0.00	0.00	0.00	0.00
	Distribution Function	Direct Assigned	5,183,879.46	0.00	5,183,879.46	0.00	1,389,397.01	1,609,245.41	2,185,237.04	0.00
	Meter Function	Direct Assigned	(190,377.15)	0.00	(190,377.15)	0.00	0.00	0.00	(190,377.15)	0.00
	TDCS Function	Direct Assigned	17,286,226.17	0.00	17,286,226.17	0.00	1,576,790.05	15,099,084.12	10,352.00	0.00
	Common Intangible Systems	Allocated by Net Plant Factor from Docket No. 53601	22,291,584.91	10,564,427.92	11,727,156.99	0.00	1,650,525.28	10,076,631.71	0.00	0.00
	January - June 2023 Intangible Additions		50,715,782.61	16,708,897.34	34,006,885.27	0.00	4,616,712.34	27,384,961.24	2,005,211.89	0.00
	Transmission Function	Direct Assigned	(567,639.85)	(567,639.85)	0.00	0.00	0.00	0.00	0.00	0.00
	Distribution Function	Direct Assigned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Meter Function	Direct Assigned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TDCS Function	Direct Assigned	(21,504,395.85)	0.00	(21,504,395.85)	0.00	(226,871.17)	(4,090,882.39)	(17,186,642.29)	0.00
	Common Intangible Systems	Allocated by Net Plant Factor from Docket No. 53601	(894,266.79)	(329,026.92)	(365,239.87)	0.00	(137,447.23)	(227,792.64)	0.00	0.00
	January - June 2023 Intangible Retirements		(22,766,302.40)	(899,566.77)	(21,866,735.63)	0.00	(394,318.40)	(4,318,675.03)	(17,186,642.29)	0.00
	Transmission Function	Direct Assigned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Distribution Function	Direct Assigned	(644,541.30)	0.00	(644,541.30)	0.00	0.00	(4,206,084.21)	3,561,542.91	0.00
	Meter Function	Direct Assigned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TDCS Function	Direct Assigned	(895,218.66)	0.00	(895,218.66)	0.00	108,199.60	(1,003,418.26)	0.00	0.00
	Common Intangible Systems	Allocated by Net Plant Factor from Docket No. 53601	1,539,758.96	1,346,111.40	193,648.56	0.00	0.00	163,648.56	0.00	0.00
	January - June 2023 Intangible Transfers * & Adjustments		0.00	1,346,111.40	(1,346,111.40)	0.00	108,199.60	(5,015,853.91)	3,561,542.91	0.00
303	Balance at 06-30-2023		1,211,287,079.08	290,408,729.46	920,878,349.62	214,881.57	28,882,982.89	233,544,889.22	556,820,200.88	101,415,776.06
303	Accumulated Depreciation/Amortization		(443,260,191.98)	(97,113,620.68)	(346,146,571.30)	(141,912.98)	(7,712,147.80)	(82,309,825.05)	(155,541,448.42)	(100,441,435.01)
303	Balance at 12-31-2022		(463,220,639.23)	(111,120,704.10)	(352,099,875.13)	(178,154.56)	(10,199,834.27)	(94,841,894.09)	(145,895,867.10)	(100,983,105.11)
303	Net Investment		740,077,397.80	176,136,786.81	563,940,630.99	72,768.59	16,810,251.48	133,184,631.84	412,898,638.95	974,340.15
303	Balance at 12-31-2022		748,066,430.85	179,287,965.36	568,778,465.49	35,527.01	18,663,136.62	138,702,795.13	410,924,333.78	432,670.95
303	Balance at 06-30-2023									
Note: Net Plant Less Intangible & Non-AMS Computer Equipment from Docket No. 53601			Total 18,788,059,058.27	TRAN 8,808,727,870.84 47.392%	DIST 9,582,597,335.75 51.030%	MET 279,565,292.44 1.487%	TDCS 17,169,559.24 0.091%	Total DCRF 9,889,331,187.43 52.608%		

\* Transfers of common intangible investment to TRAN from DCRF at 47.392% January - June 2023

Project ISTM2001 (in-service date 08/31/2021)

Project ICSP2101 (in-service date 05/31/2022)

Project ICIL2100 (in-service date 12/31/2022)

Total Transfers (8-year life group)

\$ 174,448.61 \$ (174,448.61)

\$ 270,444.13 \$ (278,444.13)

\$ 895,218.66 \$ (895,218.66)

\$ 1,346,111.40 \$ (1,346,111.40)

Oncor Electric Delivery Company LLC  
Distribution Cost Recovery Factor  
Communication Equipment  
Update Period 01/01/2022 - 06/30/2023

Plant Account	Activity	Total Communication Equipment	TRAN Communication Equipment	DIST Disallowance (Note 1)	DIST Communication Equipment Amortized	DIST Communication Equipment Depreciated (Note 2)	DIST Communication Equipment AMS Routers
397	12-31-21 Balance	154,558,642.24	81,744,122.48	(35,767,188.86)	24,799,846.03	42,233,358.16	41,548,504.43
397	2022 Additions	16,066,907.88	9,400,475.02	(2,048,727.50)	5,483,496.68	3,231,663.68	0.00
397	2022 Retirements (Note 3)	(3,874,044.12)	(770,079.87)	0.00	(2,741,742.71)	(318,015.02)	(44,206.52)
397	2022 Transfers	(0.00)	(158,631.98)	0.00	176,670.30	(18,038.32)	0.00
397	12-31-22 Balance	166,751,506.00	90,215,885.65	(37,815,916.36)	27,718,270.30	45,128,968.50	41,504,297.91
397	12-31-21 Accumulated Depreciation Balance	(61,497,270.92)	(11,560,520.05)	0.00	(4,370,242.98)	(4,018,003.46)	(41,548,504.43)
397	12-31-22 Accumulated Depreciation Balance	(72,462,751.23)	(16,009,001.08)	0.00	(7,929,083.92)	(7,722,422.08)	(40,802,244.15)
397	12-31-21 Net Book Value	93,061,371.32	70,183,602.43	(35,767,188.86)	20,429,603.05	38,215,354.70	0.00
397	12-31-22 Net Book Value	94,288,754.77	74,206,884.57	(37,815,916.36)	19,789,186.38	37,406,546.42	702,053.76

Note (1): DIST Disallowance reflects proforma adjustments for the distribution-related disallowances of capitalized financially-based incentive compensation, non-qualified pension, and executive perquisites for years 2017 through 2022 recorded on the books in 2023 consistent with the order on rehearing approved in Docket No. 53601. The DCRF baseline reflects the distribution-related disallowances for years 2017 through 2021. The DIST disallowances for years 2017 through 2022 are shown on DCRF Schedule B-1, Line No. 22b, Column No. (4).

Note (2): Distribution Microwave and Fiber Optic Network Equipment

Note (3): Includes proforma retirements recorded in 2023 to reflect Docket No. 53601 approved 15-year life, effective May 1, 2023, from Docket No. 46957 previously approved 20-year life under AR-15. (Reference WP/Schedule B-5/2.)

Excludes Oncor NTU

Oncor Electric Delivery Company LLC  
Distribution Cost Recovery Factor  
Communication Equipment  
Update Period 01/01/2022 - 06/30/2023

Plant Account	Activity	Total Communication Equipment	TRAN Communication Equipment	DIST Disallowance *	DIST Communication Equipment Amortized	DIST Communication Equipment Depreciated **	DIST Communication Equipment AMS Routers
397	12-31-22 Balance	166,751,506.00	90,215,885.65	(37,815,916.36)	27,718,270.30	45,128,968.50	41,504,297.91
397	January - June 2023 Additions	4,860,464.69	2,459,288.59	(435,752.02)	287,910.95	2,549,017.17	0.00
397	January - June 2023 Retirements	(481,840.75)	(205,017.42)	0.00	0.00	(274,993.39)	(1,829.94)
397	January - June 2023 Transfers	0.00	0.00	0.00	0.00	0.00	0.00
397	06-30-23 Balance	171,130,129.94	92,470,156.82	(38,251,668.38)	28,006,181.25	47,402,992.28	41,502,467.97
397	12-31-22 Accumulated Depreciation Balance	(72,462,751.23)	(16,009,001.08)	0.00	(7,929,083.92)	(7,722,422.08)	(40,802,244.15)
397	06-30-23 Accumulated Depreciation Balance	(76,327,192.93)	(18,407,873.44)	390,218.24	(8,764,363.03)	(8,756,584.04)	(40,788,590.66)
397	12-31-22 Net Book Value	94,288,754.77	74,206,884.57	(37,815,916.36)	19,789,186.38	37,406,546.42	702,053.76
397	06-30-23 Net Book Value	94,802,937.01	74,062,283.38	(37,861,450.14)	19,241,818.22	38,646,408.24	713,877.31

\* DIST Disallowance reflects distribution-related disallowances of capitalized financially-based incentive compensation, non-qualified pension, and executive perquisites for years 2017 through 2023 consistent with the order approved April 6, 2023 in Docket No. 53601. The DCRF baseline reflects the distribution-related disallowances for years 2017 through 2021. The DIST disallowances for years 2017 through 2023 are shown on DCRF Schedule B-1, Line No. 22b, Column No. (4).

\*\* Distribution Microwave and Fiber Optic Network Equipment

Excludes Oncor NTU

Oncor Electric Delivery Company LLC  
Distribution Cost Recovery Factor - 2023 Application as of June 30, 2023  
Listing of Sponsored DCRF Application Workpapers  
Update Period 01/01/2022 - 06/30/2023

Schedule Workpaper	Title
<u>Testimony Workpaper</u>	
WP/Ledbetter/Direct/2022_Pf-ROR	Proforma Adjustment for 2023 Disallowance
WP/Ledbetter/Direct/Adjustments	Proforma Adjustments - Plant in Service (A397) and Related Depreciation Expense Reduction to Reflect Disallowance of Capitalized Costs Consistent with Docket No. 53601 Order
<u>DCRF Schedule Workpapers</u>	
WP/Schedule B	DCRF Summary of Distribution Plant Investment - Update Period 01/01/2022 - 06/30/2023
WP/Schedule B-1/1/2022	Listing of Distribution Projects over \$100,000 Added During 2022, Including Expanded Project Description
WP/Schedule B-1/1/6 ME 06302023	Listing of Distribution Projects over \$100,000 Added During Six Months Ending June 30, 2023, Including Expanded Project Description
WP/Schedule B-1/1/7/2022	Substation Projects with Additions >\$100,000 (Plant accounts 353, 360, 361, & 362) for 2022
WP/Schedule B-1/1/2/6 ME 06302023	Substation Projects with Additions >\$100,000 (Plant accounts 353, 360, 361, & 362) for Six Months Ending June 30, 2023
WP/Schedule B-1/1/3/2022	Property Unit Descriptions for Projects with Additions >\$100,000, Plant accounts 364 to 373 only for 2022
WP/Schedule B-1/1/3/6 ME 06302023	Property Unit Descriptions for Projects with Additions >\$100,000, Plant accounts 364 to 373 only for Six Months Ending June 30, 2023
WP/Schedule B-5/1/2022	Listing of Distribution Retirements over \$100,000 During 2022
WP/Schedule B-5/1/6 ME 06302023	Listing of Distribution Retirements over \$100,000 During Six Months Ending June 30, 2023
WP/Schedule B-5/1/1/2022	Property Unit Descriptions for Projects with Retirements > \$100,000 for 2022
WP/Schedule B-5/1/1/6 ME 06302023	Property Unit Descriptions for Projects with Retirements > \$100,000 for Six Months Ending June 30, 2023
WP/Schedule B-5/2	Docket No. 55190 (DCRF Application filed June 29, 2023) Proforma Retirements for A391 - Computer Equipment and A397 - Communication Equipment (AR-15 Property)
WP/Schedule E-1/1	AMS Related Amortization Expense
WP/Schedule E-1/2	Docket No. 53601 Depreciation & Amortization - Rates & Accruals
WP/Schedule E-1/3	General Plant Reserve Imbalance & Related Amortization for T&D
WP/Schedule E-3	Federal Income Tax
WP/Schedule E-3 7/3	Net Plant and Net Intangibles Factors for Accumulated Deferred Federal Income Tax

**2023 DCRF  
ONCOR ELECTRIC DELIVERY COMPANY LLC  
WORKPAPERS FOR  
THE DIRECT TESTIMONY OF  
W. ALAN LEDBETTER**

Oncor Electric Delivery Company LLC

12 months ending 12-31-2022 Earnings Report (Docket No. 54451 Item No. 17 and 2023 DCRF Application Schedule K)

Proforma Adjustment for 2023 Disallowance

		Schedule III Return per report	Return on Invested Capital adjusted for disallowances	Return Change
Invested capital per earnings report Schedule III	\$ 20,738,628,826			
Less disallowance 2017-2021 (Docket No. 53601)	\$ (64,960,286)			
Less disallowance for 2022	\$ (3,720,894)			
Less disallowance 2017 - 2022 (earnings report Schedule XII)	\$ (68,681,180)			
Invested capital excluding disallowances through 2022	\$ 20,669,947,646			
Return per earnings report Schedule I, III	\$ 1,302,162,514	6.28%	6.30%	0.02%
Return weather-adjusted per earnings report Schedule III	\$ 1,249,959,456	6.03%	6.05%	0.02%

Docket No. 53601 Order approved April 6, 2023 disallowed capitalized financially-based incentive comp, non-qualified pension, and executive perquisites.

No adjustment to return for exclusion of 2022 depreciation expense on disallowed capitalized costs. Depreciation expense reduced acc. depreciation reserve.





**INDEX TO THE DIRECT TESTIMONY  
OF BONNIE L. CLUTTER, WITNESS FOR  
ONCOR ELECTRIC DELIVERY COMPANY LLC**

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September 2023 DCRF Application**

1 **DIRECT TESTIMONY OF BONNIE L. CLUTTER**

2 **I. POSITION AND QUALIFICATIONS**

3 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT  
4 EMPLOYMENT POSITION.

5 A. My name is Bonnie L. Clutter. My business address is 1616 Woodall  
6 Rodgers Freeway, Dallas, Texas 75202. I am the Assistant Controller at  
7 Oncor Electric Delivery Company LLC ("Oncor" or "Company").

8 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND  
9 PROFESSIONAL QUALIFICATIONS.

10 A. I graduated from Baylor University in August 1997 with a Bachelor of  
11 Business Administration degree in Accounting and a Masters degree in  
12 Business Administration. In 1997, I began my career at Texas Utilities  
13 Services, Inc. where I worked in various accounting departments, including  
14 corporate accounting and tax accounting. In 2002, I became an Accounting  
15 Specialist for Oncor, supporting transactional accounting functions, monthly  
16 financial analysis, internal reporting, and external reporting. In 2012, I  
17 became the Tax Accounting Manager where I was responsible for  
18 managing the federal, state, and local tax accounting and compliance  
19 functions for Oncor. I started in my current role as Assistant Controller in  
20 September 2021.

21 Q. DO YOU HOLD ANY PROFESSIONAL CERTIFICATIONS?

22 A. Yes. I am licensed as a Certified Public Accountant in the State of Texas.

23 Q. ARE YOU A MEMBER OF ANY PROFESSIONAL ORGANIZATIONS?

24 A. Yes. I am a member of the Texas Society of Certified Public Accountants.

25 Q. WHAT ARE YOUR RESPONSIBILITIES IN YOUR CURRENT POSITION?

26 A. As Assistant Controller, I manage Oncor's Corporate Accounting  
27 organization which includes general accounting, property accounting,  
28 accounts receivables and payables, revenue accounting, and tax  
29 accounting. These organizations are responsible for ensuring that financial  
30 information is recorded and reported in accordance with generally accepted

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1 accounting principles ("GAAP"). Additionally, the Corporate Accounting  
2 organization is responsible for seeing that the books and records of Oncor  
3 are maintained in a manner consistent with sound regulatory policies and  
4 procedures reflecting compliance with rules established, and regulatory  
5 orders issued, by the Public Utility Commission of Texas ("Commission")  
6 and other regulatory bodies.

7 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

8 A. Yes, I have pre-filed testimony in Docket Nos. 38929, 39552, 41814, 46957,  
9 48231, 48325, 49427, 49721, 50734, 51996, 53601, and 55190.

10 **II. PURPOSE OF DIRECT TESTIMONY**

11 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

12 A. The purpose of my direct testimony is to support the Company's application  
13 to amend its Distribution Cost Recovery Factor ("DCRF") pursuant to Public  
14 Utility Regulatory Act § 36.210 and 16 Tex. Admin. Code ("TAC") § 25.243,  
15 for the update period of January 1, 2022 through June 30, 2023. My  
16 testimony presents the tax-related components of the Company's DCRF  
17 revenue requirement and, along with the testimony of Company witness W.  
18 Alan Ledbetter, all supporting schedules and calculations, with the  
19 exception of Schedules H and J (which are sponsored by Company witness  
20 Matthew A. Troxle), required by the Commission's DCRF Rate Filing  
21 Package ("DCRF-RFP") instructions. My direct testimony establishes, in  
22 conjunction with the direct testimony provided by Company witnesses Mr.  
23 Ledbetter, Mr. Troxle, and Mr. Coler D. Snelleman, that this filing complies  
24 with 16 TAC § 25.243, the Commission's DCRF-RFP instructions, and the  
25 Order on Rehearing in Docket No. 53601, the Company's most recent  
26 comprehensive base-rate case.

27 My direct testimony, schedules, and workpapers were prepared by  
28 me or under my direction, supervision, or control, and are true and correct.

1 Q. WHAT DCRF-RFP SCHEDULES ARE YOU SPONSORING?

2 A. I am sponsoring or co-sponsoring the following DCRF-RFP schedules and  
3 the associated workpapers:

4 Schedule B-7 DIC-Related Accumulated Deferred Federal Income  
5 Taxes (ADFIT);

6 Schedule E-2 Distribution Taxes Other than Federal Income Taxes;

7 Schedule E-3 Distribution Federal Income Taxes;

8 Schedule E-3.7 Summary of Accumulated Deferred Federal Income  
9 Tax (ADFIT) Balances; and

10 Schedule E-3.10 Distribution Plant Accumulated Deferred Federal  
11 Income Tax (ADFIT) Changes.

12 **III. REQUIREMENTS OF DCRF APPLICATION**

13 Q. AS PRESCRIBED IN GENERAL INSTRUCTION NO. 1 OF THE DCRF-  
14 RFP, IS THE INFORMATION PROVIDED TAKEN FROM THE  
15 COMPANY'S ACCOUNTS AND RECORDS PRESCRIBED IN THE  
16 FEDERAL ENERGY REGULATORY COMMISSION ("FERC") UNIFORM  
17 SYSTEM OF ACCOUNTS?

18 A. Yes. The information provided in this filing is taken from the Company's  
19 books and records that are maintained according to the FERC Uniform  
20 System of Accounts.

21 Q. AS PRESCRIBED IN GENERAL INSTRUCTION NO. 2, DOES YOUR  
22 TESTIMONY SUPPORT THE REQUIRED SCHEDULES AND  
23 WORKPAPERS?

24 A. Yes. My testimony adopts and supports the required DCRF-RFP schedules  
25 and workpapers that I sponsor or co-sponsor.

26 Q. AS PRESCRIBED IN GENERAL INSTRUCTION NO. 2, ARE YOUR  
27 SCHEDULES AND WORKPAPERS PROVIDED IN NATIVE ELECTRONIC  
28 FORMAT INCLUDING ACTIVE EXCEL WORKBOOKS AND ALL LINKED  
29 WORKBOOKS, WITH ALL FORMULAS, CELL REFERENCES, LINKS,  
30 ETC. INTACT, FUNCTIONING, AND COMPLETE?

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1 A. Yes, except where Excel data was derived from a non-Excel source and  
2 was directly entered into the Excel spreadsheet. Otherwise, all workbooks  
3 are "active" as described in General Instruction No. 2.

4 Q. AS PRESCRIBED IN GENERAL INSTRUCTION NO. 5, HAVE THE  
5 SCHEDULES BEEN PREPARED AS EXEMPLIFIED IN THE DCRF-RFP  
6 SAMPLE FORMS?

7 A. Yes, the schedules are consistent with the DCRF-RFP instructions with the  
8 exception that some schedules have been modified for Company specifics  
9 and, in some instances, columns were added. As previously stated, all  
10 schedules and workpapers are provided in native electronic format  
11 including active Excel workbooks and all linked workbooks, with all  
12 formulas, cell references, links, etc., intact, functioning, and complete.

13 Q. AS PRESCRIBED IN GENERAL INSTRUCTION NO. 6, DO THE  
14 AMOUNTS APPROVED IN THE COMPANY'S LAST COMPREHENSIVE  
15 BASE-RATE PROCEEDING CORRESPOND TO THE AMOUNTS IN THE  
16 FIRST COLUMN IN YOUR SPONSORED SCHEDULES OF THE DCRF-  
17 RFP?

18 A. Yes. Where applicable, the amounts in the first columns in my sponsored  
19 DCRF schedules are consistent with WP/Schedule A-1, which includes the  
20 DCRF baseline data approved in Docket No. 54817, the compliance docket  
21 associated with the Company's most recent comprehensive base-rate case.

22 **IV. CALCULATION OF TAX-RELATED COMPONENTS OF DCRF REVENUE**  
23 **REQUIREMENT**

24 Q. PLEASE DISCUSS THE CALCULATION OF AD VALOREM TAXES IN  
25 THE COMPANY'S DCRF-RFP.

26 A. I determined the ad valorem tax attributable to incremental DCRF  
27 investment by applying the Docket No. 53601 ad valorem tax factor  
28 (approved distribution-related ad valorem tax divided by approved  
29 distribution net plant) to the DCRF net plant amount added between  
30 January 1, 2022 and June 30, 2023. My workpaper WP/Schedule E-2/1

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shows Oncor's ad valorem tax assigned to the distribution functions in Docket No. 53601 and the calculation of ad valorem tax for the incremental DCRF net plant additions. The result is a \$24,161,056 increase in ad valorem tax expense, as shown in column (4) of Schedule E-2.

Q. DOES THE MANNER IN WHICH YOU CALCULATED AD VALOREM TAXES IN THE COMPANY'S DCRF-RFP FOLLOW THE REQUIREMENTS CONTAINED IN 16 TAC § 25.243 AND THE DCRF-RFP INSTRUCTIONS?

A. Yes. 16 TAC § 25.243(d)(1) sets forth the formula for calculating the DCRF, and it requires that current other taxes (which includes ad valorem taxes) be calculated using the methodology from the last comprehensive base-rate proceeding. In calculating ad valorem taxes for the DCRF-RFP, I followed this instruction by using the ad valorem tax factor established in the last comprehensive base-rate case (Docket No. 53601) and the current effective tax rate approved in Docket No. 53601. Additionally, page 8 of the DCRF-RFP Instructions instructs the utility to include on Schedule E-2 the change in ad valorem taxes "associated with the change in net plant." Accordingly, my calculation applies the ad valorem tax factor to the change in DCRF net plant experienced during the January 1, 2022 to June 30, 2023 update period.

Q. PLEASE DISCUSS THE STATE GROSS MARGIN TAXES IN ONCOR'S DCRF FILING.

A. The Texas Legislature enacted reforms of the Texas franchise tax system and replaced it with the Texas gross margin tax ("margin tax") in 2007. The amount of margin tax applicable to the DCRF revenue requirement is shown in Schedule E-2 in this filing.

Q. PLEASE EXPLAIN HOW THE MARGIN TAX IS CALCULATED.

A. The margin tax is based on total taxable revenues less an elected deduction of: (a) cost of goods sold ("COGS"); (b) employee compensation; or (c) 30% of total revenues. Texas law defines the transmission and delivery of

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1 electricity as a service, making the COGS election unavailable for Oncor.  
2 Therefore, because 30% of Oncor's total taxable revenue amounts to a  
3 greater deduction than employee compensation, the method that most  
4 beneficially applies to Oncor and its customers is the deduction of 30% of  
5 total taxable revenues. In 2015, as part of the Franchise Tax Reduction Act  
6 of 2015, the Texas Legislature permanently set the margin tax rate at  
7 0.75%. Thus, Oncor accrued its margin tax liability at the 0.75% rate. The  
8 methodology and margin tax rate used to calculate the incremental margin  
9 tax requested in this DCRF is consistent with Oncor's most recent base-rate  
10 case, Docket No. 53601. The incremental DCRF-related margin tax is  
11 \$1,486,974 and is shown in column (4) of Schedule E-2.

12 Q. PLEASE DISCUSS THE INCREASE IN FEDERAL INCOME TAX ("FIT")  
13 RESULTING FROM THE DISTRIBUTION INVESTMENT ADDITIONS  
14 INCLUDED IN THE COMPANY'S DCRF-RFP.

15 A. FIT expense was increased due to the increase in the return on rate base  
16 resulting from the net addition of distribution facilities between January 1,  
17 2022 and June 30, 2023. The synchronized interest deduction is related to  
18 the increased return and was increased proportionally. The incremental  
19 income tax expense was quantified using the 21% FIT rate pursuant to the  
20 Tax Cuts and Jobs Act of 2017. The workpaper WP/Schedule E-3 contains  
21 the calculation of the change in synchronized interest. As shown on  
22 Schedule E-3, all other components of the FIT calculation are left  
23 unchanged from Docket No. 53601.

24 Q. PLEASE DISCUSS THE DCRF-RELATED TREATMENT OF ADFIT AND  
25 EXCESS ADFIT BALANCES.

26 A. Consistent with the DCRF-RFP instructions, Oncor's June 30, 2023 ADFIT  
27 balance, adjusted for the tax impact of applicable book adjustments, was  
28 functionalized by applying updated functionalization factors in a manner  
29 consistent with Docket No. 53601. Oncor's Excess ADFIT balance at June  
30 30, 2023 was directly assigned to the Distribution function consistent with



1 Docket No. 53601. Plant-related ADFIT and Excess ADFIT for DCRF  
2 purposes are shown in Schedules B-7, E-3.7, E-3.10, and my related  
3 workpapers.

4 **V. SUMMARY AND CONCLUSION**

5 Q. PLEASE SUMMARIZE YOUR DIRECT TESTIMONY.

6 A. My direct testimony supports the DCRF-RFP schedules and related  
7 workpapers that I sponsor or co-sponsor. My sponsored and co-sponsored  
8 DCRF-RFP schedules have been prepared and calculated according to 16  
9 TAC § 25.243, the DCRF-RFP instructions, and the Order in Docket No.  
10 53601. For these reasons, I recommend that the Commission approve the  
11 tax-related components of the Company's revenue requirement as shown  
12 on Schedule A: Summary of Distribution Cost of Service.

13 Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

14 A. Yes, it does.

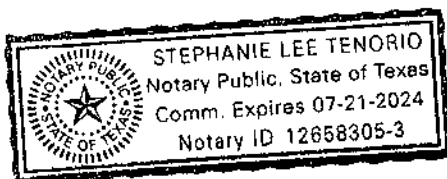
STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared Bonnie L. Clutter, who, having been placed under oath by me, did depose as follows:

My name is Bonnie L. Clutter. I am of legal age and a resident of the State of Texas. The Application in this proceeding complies with 16 TAC § 25.243. The Application and the foregoing direct testimony offered by me is true and correct, and the opinions stated therein are, to the best of my knowledge and belief, accurate, true and correct.

Bonnie L. Clutter  
BONNIE L. CLUTTER

**SUBSCRIBED AND SWORN TO BEFORE ME** by the said Bonnie L. Clutter this 12<sup>th</sup> day of September, 2023.



Stephanie R. Tenorio  
Notary Public, State of Texas

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**INDEX TO THE DIRECT TESTIMONY  
OF MATTHEW A. TROXLE, WITNESS FOR  
ONCOR ELECTRIC DELIVERY COMPANY LLC**

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VII.	PROPOSED RIDER WDCRF .....	11
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X.	EXHIBITS:	
	EXHIBIT MAT-1 List of Matthew A. Troxle's Prior Commission Testimony	
	EXHIBIT MAT-2 Rate Class Billing Determinants Approved in Docket No. 53601	
	EXHIBIT MAT-3 History of Distribution Cost Recovery Factor (DCRF) Charges	
	EXHIBIT MAT-4 Proposed Rider Distribution Cost Recovery Factor (DCRF)	
	EXHIBIT MAT-5 Proposed Rider WDCRF – Wholesale Distribution Cost Recovery Factor	

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**DIRECT TESTIMONY OF MATTHEW A. TROXLE**

**I. POSITION AND QUALIFICATIONS**

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Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT EMPLOYMENT POSITION.

A. My name is Matthew A. Troxle. My business address is 1616 Woodall Rodgers, Dallas, Texas, 75202. I am the Vice President - Regulatory for Oncor Electric Delivery Company LLC ("Oncor" or "Company").

Q. PLEASE DISCUSS YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL QUALIFICATIONS.

A. I graduated from Louisiana State University in 1995 with a Bachelor of Science degree in Business Administration Pre-Law. In 1997, I received the degree of Master of Science in Economics from Louisiana State University. I began my employment with the Louisiana Public Service Commission in 1997 as an Economist in the Economics and Rate Analysis Division. In 1999, I began employment with the Public Utility Commission of Texas ("Commission") as a Rate Analyst. In 2000, I was named Senior Rate Analyst, and in 2005, I was named the Director of Retail Market Oversight. In 2007, I was named the Director of the newly formed Tariff and Rate Analysis group. In 2008, I began employment with CenterPoint Energy Service Company as a Manager of Gas Rates in the Regulatory and Government Affairs organization. In 2012, I was named Director of Rates, and in 2015, I assumed the position of Director of Regulatory Affairs for Louisiana and Mississippi. In 2019, I joined Oncor as the Director of Rates & Load Research. In July 2023, I was named to my current position of Vice President – Regulatory for Oncor. In my current position, I am responsible for oversight of the rates and regulatory efforts of Oncor.

Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THE COMMISSION?

A. Yes. Please see my Exhibit MAT-1 for a list of the proceedings in which I have provided testimony before the Commission and other regulatory

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1 authorities.

2 **II. PURPOSE OF DIRECT TESTIMONY**

3 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS  
4 PROCEEDING?

5 A. The purpose of my direct testimony is to: (1) support Oncor's application to  
6 amend its Distribution Cost Recovery Factor ("DCRF"); (2) sponsor the  
7 calculation of Rider DCRF and Rider Wholesale Distribution Cost Recovery  
8 Factor ("WDCRF"); and (3) sponsor the proposed riders (6.1.1.6.4 Rider  
9 DCRF and 3.6 Rider WDCRF) accompanying this filing.

10 My direct testimony, exhibits, sponsored schedules and workpapers  
11 were prepared by me or under my direction, supervision, or control, and are  
12 true and correct.

13 Q. WHAT SCHEDULES FROM ONCOR'S FILING DO YOU SPONSOR?

14 A. I am sponsoring Schedule H (Summary of Historic Year Billing  
15 Determinants) and Schedule J (Summary of DCRF), which include the rate  
16 design calculations for the proposed DCRFs by rate class. In addition, I am  
17 sponsoring the following workpapers that support Schedules H and J:

18 WP/Schedule H Summary of Billing Units as of June 30, 2023;  
19 WP/Schedule H/1 Customer and Weather Adjustments to Billing  
20 Determinants as of June 30, 2023;  
21 WP/Schedule H/2 Monthly Sales Data as of June 30, 2023;  
22 WP/Schedule H/3 Adjustments to Billing Demands as of June 30, 2023;  
23 WP/Schedule H/4 Weather Adjustments as of June 30, 2023; and  
24 WP/Schedule H/5 Power Factor Adjustments to Billing Demands

25 **III. DCRF RULE AND REQUIREMENTS**

26 Q. PLEASE DESCRIBE 16 TEX. ADMIN. CODE § 25.243 (TAC) (THE "DCRF  
27 RULE").

28 A. The DCRF Rule implements Public Utility Regulatory Act ("PURA")  
29 § 36.210. The DCRF Rule authorizes the Commission, upon the application  
30 of an electric utility, to approve a tariff or rate schedule in which a rate may

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1 be periodically adjusted for changes in distribution plant, distribution-related  
2 intangible plant, and distribution-related communications equipment and  
3 networks. The DCRF for each rate class of customers is determined in  
4 accordance with the DCRF Rule.

5 Q. IN WHAT DOCKET WAS ONCOR'S LAST COMPREHENSIVE BASE-  
6 RATE PROCEEDING?

7 A. Oncor's last comprehensive base-rate proceeding was Docket No. 53601,  
8 *Application of Oncor Electric Delivery Company LLC for Authority to Change*  
9 *Rates*. The Order on Rehearing in Docket No. 53601 was signed on June  
10 30, 2023.

11 Q. HAVE ONCOR'S RATES BEEN MODIFIED SINCE DOCKET NO. 53601?

12 A. Yes. Order No. 2 in Docket No. 55190, *Application Of Oncor Electric*  
13 *Delivery Company LLC To Amend Its Distribution Cost Recovery Factor*  
14 *And Update Mobile Generation Riders*, approved new DCRF and WDCRF  
15 charges (rates), on an interim basis, effective September 1, 2023.

16 Q. WAS A DCRF BASELINE ORDERED IN DOCKET NO. 53601?

17 A. Yes, it was. Accordingly, Oncor filed its DCRF Baseline on July 10, 2023,  
18 in Docket No. 54817, *Compliance Filing For Final Order In Docket No.*  
19 *53601 (Application of Oncor Electric Delivery Company LLC for Authority to*  
20 *Change Rates)*. Order No. 6 issued in Docket No. 54817 on August 8, 2023,  
21 approved the DCRF baseline filed by Oncor.

22 Q. HAS THE COMMISSION RULED ON ONCOR'S PENDING DCRF CASE,  
23 DOCKET NO. 55190?

24 A. No. Oncor's pending DCRF case, Docket No. 55190, is expected to be  
25 taken up by the Commission at the September 28, 2023 Open Meeting.  
26 Any decisions resulting from a final order in Docket No. 55190 that impact  
27 and necessitate a change to this filing will be incorporated appropriately and  
28 submitted via an errata filing or similar means in this docket.

29 Q. ARE YOU PROPOSING TO USE THE SAME COST-OF-SERVICE  
30 MODEL IN THIS PROCEEDING THAT WAS USED TO CALCULATE THE

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1 DCRF BASELINE ESTABLISHED IN DOCKET NO. 53601 AND  
2 APPROVED IN DOCKET NO. 54817?

3 A. Yes. The baseline is the starting point for the DCRF, so to remain  
4 consistent, the same cost-of-service model methodology used to establish  
5 the DCRF baseline in Docket No. 53601 was used in this proceeding to  
6 appropriately assign costs to the various rate classes as approved in Docket  
7 No. 53601.

8 Q. DOES YOUR TESTIMONY SUPPORT THE SCHEDULES AND  
9 WORKPAPERS REQUIRED BY GENERAL INSTRUCTION NO. 2 IN THE  
10 COMMISSION'S DCRF RATE FILING PACKAGE ("DCRF-RFP")  
11 INSTRUCTIONS?

12 A. Yes, it does. Specifically, my testimony supports required Schedules H and  
13 J.

14 Q. IN REFERENCE TO THE DCRF-RFP GENERAL INSTRUCTION NO. 5,  
15 HAVE SCHEDULES H AND J BEEN PREPARED BASED ON THE  
16 SAMPLE FORMS ATTACHED TO THE COMMISSION'S DCRF  
17 APPLICATION?

18 A. Yes. The Company's schedules are based upon the sample forms attached  
19 to the Commission's DCRF Filing Package Schedules. The Company has  
20 also made some enhancements to the sample forms as permitted by the  
21 DCRF-RFP General Instruction No. 5 to provide further granularity to the  
22 calculation of the DCRFs.

23 Q. IN REFERENCE TO THE DCRF-RFP GENERAL INSTRUCTION NO. 5,  
24 HAVE SCHEDULES H AND J AND THE SUPPORTING WORKPAPERS  
25 BEEN PROVIDED IN ELECTRONIC NATIVE FORMAT WITH ALL  
26 FORMULAS, CELL REFERENCES, AND LINKS INTACT, FUNCTIONING,  
27 AND COMPLETE?

28 A. Yes.

29 Q. HAS ONCOR PREVIOUSLY FILED A DCRF APPLICATION?

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1 A. Yes. Oncor has previously filed five DCRF applications. This is the second  
2 DCRF filing after the most recent base-rate case, Docket No. 53601, where  
3 the DCRF was re-set to zero.

4 Q. IN REFERENCE TO THE DCRF-RFP GENERAL INSTRUCTION NO. 7,  
5 WOULD YOU PLEASE PROVIDE THE COMPANY'S HISTORY OF DCRF  
6 CHARGES?

7 A. The historical information requested by General Instruction No. 7 is included  
8 on Exhibit MAT-3. It shows the approved rates from Oncor's five previously  
9 approved DCRF applications, Docket Nos. 48231, 49427, 50734, 51996,  
10 and 55190 (interim approval).

11 **IV. DESCRIPTION OF SCHEDULE H**

12 Q. WHAT IS THE PURPOSE OF SCHEDULE H?

13 A. Schedule H produces the final adjusted billing units for the twelve months  
14 ended June 30, 2023. These adjusted billing units are used in the  
15 calculation of the DCRFs for each of the Company's retail and wholesale  
16 rate classes shown in Schedule J. Schedule H also includes a calculation  
17 of the load growth experienced by each rate class during the DCRF update  
18 period.

19 Q. HOW MANY YEARS DID ONCOR USE IN CALCULATIONS FOR THE  
20 NORMAL WEATHER HISTORICAL PERIOD?

21 A. Consistent with the Commission's DCRF Filing Package Instructions, the  
22 historical period used in this proceeding for normal weather is 10 years.  
23 Various industry-standard statistical tests and evaluation criteria were used  
24 in the weather normalization model and are reflected in WP/Schedule H/4.1  
25 and WP/Schedule H/4.2.

26 Q. PLEASE DESCRIBE THE INFORMATION SUMMARIZED ON SCHEDULE  
27 H.

28 A. Schedule H is the Summary of Historic Year Billing Determinants. It  
29 summarizes: (1) rate class billing determinants approved in Oncor's most  
30 recent comprehensive base-rate proceeding; (2) the unadjusted rate class

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1 billing determinants for the DCRF update period ending June 30, 2023; and  
2 (3) the adjustments to billing determinants associated with weather-  
3 normalization and the number of customers at the end of the update period.

4 For item (1) above, the rate class billing determinants approved in  
5 Docket No. 53601 are shown in my Exhibit MAT-2. They also appear in  
6 column (2) of Schedule H.

7 Regarding item (2) above, Oncor's unadjusted rate class billing  
8 determinants for the twelve months ending June 30, 2023 are extracted  
9 from the books and records of the Company.

10 For item (3) above, the adjustments to billing determinants  
11 associated with weather-normalization appear in column (4) of Schedule H  
12 and are combined with the unadjusted values in column (3), to show the  
13 adjusted billing units at the meter at the end of the update period in column  
14 (5). Then, the adjustments to the number of customers at the end of the  
15 update period, shown in column (6), are added to column (5) to determine  
16 the total adjusted billing units in column (7) of Schedule H. Finally, the  
17 difference between the adjusted - billing units (column (7)) and the baseline  
18 billing units (column (2)) are shown in column (8) of Schedule H.

19 Q. WERE THE BILLING UNITS FOR THE RATE CLASSES "WEATHER  
20 NORMALIZED" CONSISTENT WITH THE METHODOLOGY UTILIZED IN  
21 ONCOR'S MOST RECENT DCRF CASE, DOCKET 55190?

22 A. Yes. The Weather Adjustments for each rate class shown in  
23 Workpaper/Schedule H/4 are based on kilowatt-hours ("kWh") variation  
24 arising from the difference in actual temperatures experienced for the twelve  
25 month period ended June 30, 2023 compared to average temperatures  
26 realized in the historical ten-year period utilized for the weather  
27 normalization adjustment in Docket 55190. For rate classes that use  
28 demand-based billing units, the kWh-based adjustments are converted to a  
29 corresponding demand-based adjustment in Workpaper/Schedule H/3.  
30 The results of these calculations are shown in columns (d) – (i) of

1 Workpaper/Schedule H/1. The weather normalization adjustments, by rate  
2 class, are shown in column (4) of Schedule H.

3 Q. DOES SCHEDULE H INCLUDE A CALCULATION OF THE LOAD  
4 GROWTH ADJUSTMENT CONTAINED IN THE DCRF FORMULA?

5 A. Yes. The DCRF formula requires that the Distribution Revenue  
6 Requirement by rate class ("DISTREVR<sub>RC-CLASS</sub>") from the last  
7 comprehensive base-rate case be adjusted for load growth. The load  
8 growth adjustment for each rate class is determined by calculating the ratio  
9 of the adjusted billing determinants shown in column (8) to the billing units  
10 approved in Docket No. 53601 shown in column (2), and is expressed as a  
11 percentage change. The resulting rate class growth adjustments are shown  
12 in column (9) of Schedule H.

13 **V. DESCRIPTION OF SCHEDULE J**

14 Q. WHAT IS THE PURPOSE OF SCHEDULE J?

15 A. Schedule J shows the compilation of all of the cost components required by  
16 the DCRF Rule (see 16 TAC § 25.243(d)(1)) to calculate a DCRF for each  
17 rate class. It also shows the calculation of the DCRF Revenue Requirement  
18 by rate class and the final calculation of the DCRFs.

19 Q. PLEASE DESCRIBE THE SOURCE OF THE DCRF BASELINE VALUES  
20 USED IN SCHEDULE J, COLUMNS 1-7.

21 A. As stated above, Schedule J shows the proposed DCRF rate design. The  
22 DCRF baseline values shown in Columns (1) – (7) of Schedule J were  
23 developed from Oncor's Docket No. 53601 Functionalized Rate Class Cost-  
24 of-Service study. The DCRF baseline values were approved on August 8,  
25 2023, by Order No. 6, in Docket No. 54817.

26 Q. DOES YOUR SCHEDULE J UTILIZE THE LOAD GROWTH  
27 ADJUSTMENTS DEVELOPED ON SCHEDULE H, COLUMN (9)?

28 A. Yes. The load growth adjustments, by rate class, from column (9) of  
29 Schedule H are restated in column (8) of Schedule J.

30 Q. HOW ARE THESE LOAD GROWTH FACTORS USED IN SCHEDULE J?

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1 A. These percentages are multiplied by the  $\text{DISTREV}_{\text{RC-CLASS}}$  values from  
2 column (7) to arrive at a rate class load growth adjustment. The resulting  
3 load growth amount for each rate class is shown in column (9) of Schedule  
4 J and, in accordance with 16 TAC § 25.243(d)(1), the sum of this column,  
5 \$23,093,830, was deducted from the Annual Change in the Distribution  
6 Cost of Service for the DCRF update period of \$232,139,195 (as  
7 determined by Company witness W. Alan Ledbetter and shown in Schedule  
8 A, column (4)) to achieve the DCRF Revenue Requirement of  
9 \$209,045,365. This deduction is shown in columns (12) – (14) of Schedule  
10 J.

11 Q. HOW WAS THE ADJUSTED DCRF REVENUE REQUIREMENT OF  
12 \$209,045,365 ALLOCATED TO THE DCRF CLASSES?

13 A. The total DCRF Revenue Requirement was allocated to the individual  
14 classes based on allocation factors specified by 16 TAC § 25.243(d)(1).  
15 This provision states in relevant part that, "[the] Rate Class Allocation Factor  
16 [is as] approved in the last comprehensive base-rate proceeding calculated  
17 as: total net distribution plant allocated to the rate class, divided by total net  
18 distribution plant" (as shown in column (10) of Schedule J). These  
19 allocation factors are shown in column (11) of Schedule J.

20 Q. HOW ARE THESE RATE CLASS ALLOCATION FACTORS USED TO  
21 CALCULATE THE DCRF REVENUE REQUIREMENT FOR EACH RATE  
22 CLASS?

23 A. The Rate Class Allocation Factors in Column (11) of Schedule J are  
24 multiplied by the DCRF Revenue Requirement of \$209,045,365 derived in  
25 column (14) to determine the DCRF Revenue Requirement for each class,  
26 as shown in column (15).

27 For example, for the Residential Rate Class, the Rate Class  
28 Allocation Factor of 55.8202% is multiplied by the DCRF Revenue  
29 Requirement of \$209,045,365, and the result is a DCRF Revenue  
30 Requirement of \$116,689,622 for the Residential Rate Class.

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1 Q. PLEASE DESCRIBE THE PROCESS FOR DETERMINING THE  
2 PROPOSED RATE CLASS DCRFs.

3 A. Once the rate class DCRF revenue requirements (see column (15) of  
4 Schedule J) and the adjusted DCRF rate class billing units have been  
5 determined (see column (7) of Schedule H, as restated in column (16) of  
6 Schedule J), the DCRF rates are calculated by dividing the adjusted DCRF  
7 Revenue Requirement for each rate class by the adjusted billing units. The  
8 results of these calculations are shown in column (17) of Schedule J.

9 **VI. PROPOSED RIDER DCRF**

10 Q. HAVE YOU PREPARED A PROPOSED RIDER FOR THE RECOVERY OF  
11 THE DCRF CHARGES DEVELOPED IN COLUMN (17) OF SCHEDULE J  
12 FOR THE COMPANY'S RETAIL RATE CLASSES?

13 A. Yes. I have prepared a rider entitled "6.1.1.6.4 Rider Distribution Cost  
14 Recovery Factor (DCRF)." This proposed rider is included as my Exhibit  
15 MAT-4.

16 Q. WHAT RATE CLASSES ARE INCLUDED IN THE COMPANY'S  
17 PROPOSED RIDER DCRF?

18 A. As shown on page 3 of my Exhibit MAT-4, the Proposed Rider DCRF  
19 contains the unit charges developed in Schedule J for the following rate  
20 classes:

21 Residential Service;  
22 Secondary Service Less Than or Equal to 10 kW;  
23 Secondary Service Greater Than 10 kW;  
24 Primary Service Less Than or Equal to 10 kW;  
25 Primary Service Greater Than 10 kW – Distribution Line;  
26 Primary Service Greater Than 10 kW – Substation;  
27 Transmission Service; and,  
28 Lighting Service.

29 Q. PLEASE DESCRIBE THE DCRF BILLING UNITS FOR EACH CLASS.

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1 A. Rider DCRF will be billed on the same basis as the Distribution System  
2 Charge for each of the rate classes listed above. For example, the  
3 Distribution System Charge for the Residential, Secondary Service Less  
4 Than or Equal to 10 kW, Primary Service Less Than or Equal to 10 kW, and  
5 Lighting classes are based on kWh usage. For all of the other rate classes  
6 listed above, the Distribution System Charges are based on Billing  
7 Demands.

8 Q. WHAT IS THE PROPOSED EFFECTIVE DATE FOR RIDER DCRF?

9 A. Oncor requests an effective date for Rider DCRF and the associated  
10 revisions to the Company's Tariff for Retail Delivery Service of November  
11 14, 2023, consistent with PURA § 36.210(i). This means that the new  
12 DCRF rates approved in this docket will be reflected on bills rendered on  
13 and after November 14, 2023, until replaced with a new rate by Commission  
14 order. If the rates that result from this docket go into effect before the  
15 effective date of final rates approved in Docket No. 55190, the rates from  
16 this docket reflecting a more recent DCRF update period would take  
17 precedence.

18 **VII. PROPOSED RIDER WDCRF**

19 Q. HAVE YOU PREPARED A PROPOSED RIDER FOR THE RECOVERY OF  
20 THE DCRF CHARGES DEVELOPED IN COLUMN (17) OF SCHEDULE J  
21 FOR THE COMPANY'S WHOLESALE DISTRIBUTION RATE CLASSES?

22 A. Yes. I have prepared a rider entitled "3.6 Rider WDCRF – Wholesale  
23 Distribution Cost Recovery Factor" for inclusion in the Company's Tariff for  
24 Transmission Service. This proposed rider is included as my Exhibit MAT-  
25 5.

26 Q. WHAT RATE CLASSES ARE INCLUDED IN THE COMPANY'S  
27 PROPOSED RIDER WDCRF?

28 A. As shown on page 3 of my Exhibit MAT-5, the Proposed Rider WDCRF  
29 contains the unit charges developed in Schedule J for the Wholesale  
30 Substation Service and Wholesale Distribution Line Service rate classes.

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1 Q. PLEASE DESCRIBE THE BILLING UNITS FOR THESE RATE CLASSES.  
2 A. Rider WDCRF will be billed on the Distribution System Charge Billing  
3 Demand.  
4 Q. WHAT IS THE PROPOSED EFFECTIVE DATE FOR RIDER WDCRF?  
5 A. Oncor requests an effective date for Rider WDCRF and the associated  
6 revisions to the Company's Tariff for Transmission Service of November 14,  
7 2023, consistent with PURA § 36.210(i). This means that the new DCRF  
8 rates approved in this docket will be reflected on bills rendered on and after  
9 November 14, 2023, until replaced with a new rate by Commission order. If  
10 the rates that result from this docket go into effect before the effective date  
11 of final rates approved in Docket No. 55190, the rates from this docket that  
12 reflect a more recent DCRF update period would take precedence.

13 **VIII. CONCLUSION**

14 Q. PLEASE SUMMARIZE YOUR DIRECT TESTIMONY.  
15 A. I prepared the proposed Rider DCRF to the Company's Tariff for Retail  
16 Delivery Service and proposed Rider WDCRF to the Company's Tariff for  
17 Transmission Service to implement the DCRFs for each applicable rate  
18 class as calculated in Schedule J.

19 I also prepared Schedule H to calculate the adjusted billing units and  
20 the class load growth factor for each rate class. I then prepared Schedule  
21 J, which compiled all of the cost components required by the DCRF Rule,  
22 to calculate the DCRF Revenue Requirement and, subsequently, to  
23 calculate the DCRFs for each rate class.

24 Q. WHAT RELIEF IS ONCOR REQUESTING IN THIS PROCEEDING?

25 A. Oncor is requesting that the proposed Rider DCRF and the proposed Rider  
26 WDCRF be approved, with an effective date of November 14, 2023.

27 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

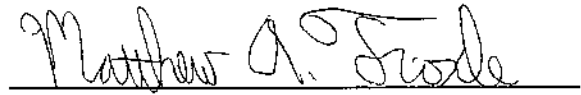
28 A. Yes, it does.

**AFFIDAVIT**

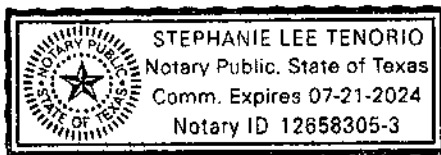
**STATE OF TEXAS       §**  
**§**  
**COUNTY OF DALLAS   §**

**BEFORE ME**, the undersigned authority, on this day personally appeared Matthew A. Troxle, who, having been placed under oath by me, did depose as follows:

My name is Matthew A. Troxle. I am of legal age and a resident of the State of Texas. The Application in this proceeding complies with 16 TAC § 25.243, PURA § 36.210, and Oncor's tariffs. The Application and the foregoing direct testimony and the attached exhibits offered by me are, to the best of my knowledge, information, and belief, accurate, true, and correct.

  
Matthew A. Troxle

**SUBSCRIBED AND SWORN TO BEFORE ME** by the said Matthew A. Troxle this 12th day of September, 2023.



  
Notary Public, State of Texas

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- **Arkansas Public Service Commission:**

**Docket No. 10-010-U** – *In The Matter Of A Notice Of Inquiry Into Energy Efficiency – March 2010, Rebuttal – April 2010.*

**Docket No. 07-081-TF** – *In The Matter Of The Application Of CenterPoint Energy Arkansas Gas For Approval Of Its “Quick Start” Energy Efficiency Program, Portfolio And Plan Including Its Cost Recovery Rider – July 2009, Rebuttal – September 2009, Sur-rebuttal – October 2009.*

- **Louisiana Public Service Commission:**

**Docket No. U-33437** – *Report Of Earnings And Return On Equity For The Louisiana Division For The Twelve Months Ending June 30, 2014 For CenterPoint Energy Arkla – June 2016.*

**Docket No. U-33438** – *Report of Earnings and Return On Equity For The Louisiana Division For The Twelve Months Ending June 30, 2014 For CenterPoint Energy Entex – June 2016.*

- **Mississippi Public Service Commission:**

**Docket No. 2018-UN-71** – *Notice Of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Mississippi Gas, Of The Filing Of Routine Changes In Its Rate Regulation Adjustment Rider – May 2018.*

**Docket No. 2018-UN-72** – *Notice Of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Mississippi Gas, Of The Filing Of Routine Changes In Its Supplemental Growth Rider – May 2018.*

- **Public Utilities Commission Of The State Of Minnesota:**

**Docket No. G-008/GR-15-424** – *In The Matter Of The Application Of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas For Authority To Increase Rates For Natural Gas Utility Service In Minnesota – August 2015, Rebuttal – December 2015, Sur-rebuttal – January 2016.*

**Docket No. G-008/GR-13-316** – *In The Matter Of The Application Of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas For Authority To Increase Rates For Natural Gas Utility Service In Minnesota – August 2013, Rebuttal – December 2013.*

**Docket No. G-008/GR-08-1075** – *In The Matter Of The Application Of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas For Authority To Increase Rates For Natural Gas Utility Service In Minnesota – November 2008, Rebuttal – July 2009.*



- **Public Utility Commission Of Texas:**

**Docket No. 55282** – *Application Of Oncor Electric Delivery Company LLC For Interim Update Of Wholesale Transmission Rates – July 2023.*

**Docket No. 55190** – *Application Of Oncor Electric Delivery Company LLC For Approval to Amend Its Distribution Cost Recovery Factor and Update Mobile Generation Riders – June 2023.*

**Docket No. 53601** – *Application Of Oncor Electric Delivery Company LLC For Authority To Change Rates – May 2022, Supplemental – September 2022, Rebuttal – September 2022.*

**Docket No. 53145** – *Application Of Oncor Electric Delivery Company LLC For Interim Update Of Wholesale Transmission Rates – January 2022.*

**Docket No. 52352** – *Application Of Oncor Electric Delivery Company LLC For Interim Update Of Wholesale Transmission Rates – July 2021.*

**Docket No. 52178** – *Application Of Oncor Electric Delivery Company LLC to Adjust Its Energy Efficiency Cost Recovery Factor – May 2021.*

**Docket No. 51996** – *Application Of Oncor Electric Delivery Company LLC For Approval to Amend Its Distribution Cost Recovery Factor – April 2021.*

**Docket No. 51767** – *Application Of Oncor Electric Delivery Company LLC For Interim Update Of Wholesale Transmission Rates – January 2021.*

**Docket No. 51115** – *Application Of Oncor Electric Delivery Company LLC For Interim Update Of Wholesale Transmission Rates – July 2020.*

**Docket No. 50886** – *Application Of Oncor Electric Delivery Company LLC to Adjust Its Energy Efficiency Cost Recovery Factor – May 2020.*

**Docket No. 50734** – *Application Of Oncor Electric Delivery Company LLC For Approval to Amend Its Distribution Cost Recovery Factor – April 2020.*

**Docket No. 50490** – *Application Of Oncor Electric Delivery Company LLC For Interim Update Of Wholesale Transmission Rates – January 2020.*

**Docket No. 49421** – *Application Of CenterPoint Energy Houston Electric, LLC For Authority To Change Rates – April 2019, Rebuttal – June 2019.*

**Docket No. 44572** – *Application Of CenterPoint Energy Houston Electric, LLC For Approval Of A Distribution Cost Recovery Factor Pursuant To P.U.C. Substantive Rule 25.243 – April 2015, Rebuttal – June 2015, Settlement – June 2015.*

**Docket No. 42111** – *Complaint Of Nawaid Isa Against Ambit Energy And CenterPoint Energy Houston Electric, LLC – April 2015.*

**Docket No. 41906** – *Compliance Filing Of CenterPoint Energy Houston Electric, LLC For Approval Of A Revised Tariff For Retail Delivery Service In Compliance With New Substantive Rule 25.133 And Revised Substantive Rule 25.214 – September 2013, Settlement – April 2014.*

**Docket No. 41540** – Application Of CenterPoint Energy Houston Electric, LLC, For Approval Of An Adjustment To Its Energy Efficiency Cost Recovery Factor – May 2013.

**Docket No. 40356** – Application Of CenterPoint Energy Houston Electric, LLC, For Approval Of An Adjustment To Its Energy Efficiency Cost Recovery Factor – May 2012.

**Docket No. 39933** – Application Of CenterPoint Energy Houston Electric, LLC, For Interim Update Of Wholesale Transmission Rate Pursuant To P.U.C. Substantive Rule §25.192(h)(1) – November 2011.

**Docket No. 39066** – Claims For September – December 1999 Period Severed From Docket No. 38780 (Remand Of Docket No. 20381, Proceeding To Modify ERCOT Transmission Rates For 1999 Pursuant To Subst. R. 23.67 – August 2011.

**Docket No. 39633** – Application Of CenterPoint Energy Houston Electric, LLC, For Interim Update Of Wholesale Transmission Rate Pursuant To P.U.C. Substantive Rule §25.192(h)(1) – August 2011.

**Docket No. 39363** – Application Of CenterPoint Energy Houston Electric, LLC, For Approval Of An Adjustment To Its Energy Efficiency Cost Recovery Factor – April 2011, Rebuttal – August 2011.

**Docket No. 38339** – Application Of CenterPoint Electric Delivery Company, LLC, For Authority To Change Rates – June 2010, Rebuttal – October 2010.

**Docket No. 36701** – Petition Of Texas Utility Solutions LLS For Declaratory Order Of Eligibility As A Transmission Service Customer – February 2010.

**Docket No. 32766** – Application Of Southwestern Public Service Company For (1) Authority To Change Rates; (2) Reconciliation Of Its Fuel Costs For 2004 And 2005; (3) Authority To Revise The Semi-Annual Formulae Originally Approved In Docket No. 27751 Used To Adjust Its Fuel Factors; And (4) Related Relief – January 2007.

**Docket No. 32907** – Application Of Entergy Gulf States, Inc. For Determination Of Hurricane Reconstruction Costs – October 2006.

**Docket No. 32093** – Petition By Commission Staff For A Review Of The Rates Of CenterPoint Energy Houston Electric, LLC Pursuant To PURA §36.151 – August 2006.

**Docket No. 28466** – Application Of Cap Rock Energy Corporation For Electric Service Tariff – August 2005.

**Docket No. 30216** – Notice Of Violation By Cap Rock Energy Of PURA Section 36.004(a) Relating To Equality Of Service And Rates And P.U.C. Subst. R. 25.241(b) Relating To Form And Filing Of Tariff – April 2005, Rebuttal – June 2005.

**Docket No. 30215** – Notice Of Violation By Cap Rock Energy Of P.U.C. Subst. R. 25.28(b) Relating To Bill Payments And Adjustments – April 2005, Rebuttal – June 2005.

**Docket No. 30706** – Application Of CenterPoint Energy Houston Electric, LLC For A Competition Transition Charge (CTC) – March 2005.

**Docket No. 28813** – *Petition To Inquire Into The Reasonableness Of The Rates And Services Of Cap Rock Energy Corporation – September 2004.*

**Docket No. 28840** – *Application Of AEP Texas Central Company For Authority To Change Rates – February 2004.*

**Docket No. 28980** – *Petition Of CenterPoint Energy Houston Electric, LLC For Finding That The 40% Threshold Under PURA §39.202(e) Has Been Met For Small Commercial Customers – January 2004.*

**Docket No. 28563** – *Compliance Filing Of Oncor Electric Delivery Company Pursuant To Subst. R. 25.311 Regarding Competitive Meter Ownership – November 2003.*

**Docket No. 28562** – *Compliance Filing And Petition Of CenterPoint Energy Houston Electric, LLC To Provide Competitive Metering Service Credit Pursuant To PUC Subst. R. 25.311 – November 2003.*

**Docket No. 28560** – *Compliance Filing Of AEP Texas North Company To Provide Competitive Metering Credit – November 2003.*

**Docket No. 28559** – *Compliance Filing Of AEP Texas Central Company To Provide Competitive Metering Credit – November 2003.*

**Docket No. 28556** – *Texas-New Mexico Power Company's Compliance Filing To Provide Competitive Metering Credit Pursuant To Subst. R. 25.311 – November 2003.*

**Docket No. 28585** – *Application Of TXU SESCO Energy Services Company To Increase Price To Beat Fuel Factors And Reduce Price To Beat Base Rates – October 2003 – Adopted Testimony of Brian H. Lloyd.*

**Docket No. 25421** – *Application Of LCRA Transmission Services Corp. To Charge Rates For Transmission And Transformation Utility Cost Of Service – October 2002.*

**Docket No. 25429** – *Appeal Of Oncor From An Ordinance Of The City Of Allen And Request For Interim Relief – August 2002.*

**Docket No. 25960** – *Application Of Brazos Electric Power Cooperative, Inc. To Change Rates For Wholesale Transmission Service – Interim Rates Phase – August 2002.*

**Docket No. 25874** – *Application Of Mutual Energy WTU, LP To Increase Price To Beat Fuel Factors – May 2002.*

**Docket No. 24449** – *Application Of Southwestern Electric Power Company To Implement The Fuel Factor Component Of Price To Beat Rates – October 2001.*

**Docket No. 24336** – *Application Of Entergy Gulf States, Inc. For Approval Of Price To Beat Fuel Factor – September 2001.*

**Docket No. 24194** – *Application Of Texas-New Mexico Power Company To Establish Price To Beat Fuel Factor – August 2001.*

**Docket No. 24040** – *Application Of TXU Electric Company To Implement Price To Beat Fuel Factors – August 2001.*

**Docket No. 23950** – *Petition Of Reliant Energy, Inc. To Establish Price To Beat Fuel Factor and Request For Good Cause Exception To Subst. R. 25.41 – July 2001.*

**Docket No. 22351** – *Application Of Southwestern Public Service For Approval Of Unbundled Cost Of Service Rate Pursuant To PURA §39.201 And Public Utility Commission Substantive Rule §25.344 – February 2001.*

**Docket No. 22350** – *Application Of TXU Electric Company For Approval Of Unbundled Cost Of Service Rate Pursuant To PURA §39.201 And Public Utility Commission Substantive Rule §25.344 – February 2001.*

**Docket No. 22356** – *Application Of Entergy Gulf States Inc. For Approval Of Unbundled Cost Of Service Rate Pursuant To PURA §39.201 And Public Utility Commission Substantive Rule §25.344 – January 2001.*

**Docket No. 22355** – *Application Of Reliant Energy Incorporated For Approval Of Unbundled Cost Of Service Rate Pursuant To PURA §39.201 And Public Utility Commission Substantive Rule §25.344 – December 2000.*

**Docket No. 22350** – *Application Of TXU Electric Company For Approval Of Unbundled Cost Of Service Rate Pursuant To PURA §39.201 And Public Utility Commission Substantive Rule §25.344 – November 2000.*

**Docket No. 22349** – *Application Of Texas-New Mexico Power Company For Approval Of Unbundled Cost Of Service Rate Pursuant To PURA §39.201 And Public Utility Commission Substantive Rule §25.344 – ECOM Phase – September 2000.*

- **Railroad Commission Of Texas:**

**Docket No. 9902** – *Statement Of Intent Of CenterPoint Energy Resources Corp., D/B/A CenterPoint Energy Entex And CenterPoint Energy Texas Gas To Increase Rates On A Division Wide Basis In The Houston Division – July 2009, Rebuttal – October 2009.*