



Rate Case Settlement Overview

On January 7, 2011 Oncor filed for rate increase with the PUC - \$353 million
Rate Filing Package

- 11 volumes – 4,356 pages; 100 sets produced = 435,600 pages
 - 1,693 pages of testimony and testimony workpapers
 - 16 Company witnesses and 9 outside witnesses
 - 2,184 pages of non-voluminous schedules and workpapers
 - 448 pages of tariffs and tariff revisions

Required Voluminous Material – 11,503 pages, 4 sets – 46,012 pages

Municipal “Mini Rate Filing Package”

- 1 volume, 240 pages; 450 copies = 108,000 pages

20 Intervenors

93 Sets of Requests for Information (RFIs)

- 1,184 questions
- 132,412 pages for filing and service
- 163,096 pages of voluminous material



Parties discussed settlement and began negotiating specific terms in March
Oncor announced the settlement on April 8, 2011 with the support of all core parties and other parties supporting or remaining unopposed
Company filed negotiated Stipulation on May 11, 2011
Commission rejected Stipulation at June 17th Open Meeting but did not halt implementation of interim rates on July 1, 2011
Commission did not act on rate case settlement at July 8th Open Meeting
Amended Stipulation filed July 22, 2011 removing provision for pass through of retrospective franchise fees
Commission did not act on rate case settlement at July 29th Open Meeting
Commission approval modified settlement at August 19, 2011 Open Meeting
Final Order signed by commissioners on August 26, 2011
Permanent Phase I rates effective September 25, 2011



Rate Case Settlement Terms

All assets as of June 30, 2010 approved

- \$136.7 million rate increase in two phases:
 - \$93.7 million in effect on July 1, 2011
 - \$43 million in effect on January 1, 2012 plus \$8.1 million in rate case expenses

60% debt and 40% equity capital structure (same as authorized in Oncor's last rate case)

10.25% ROE (same as authorized in Oncor's last rate case)

Next general rate case can be filed on or after July 1, 2013 (rate filing moratorium does not apply to interim updates, e.g., TCOS, TCRF, EECRF, DCRF)

Oncor will amortize storm reserve and pension/OPEB balances over 8 years rather than the 7 and 5 year periods, respectively, granted in Oncor's last rate case

Oncor agrees to pay municipalities retrospective franchise fees back to September 2009

Oncor agrees to increase franchise fees paid prospectively to municipalities



Rate Case Reconciliation Docket No. 38929



Rate Case Reconciliation April 2011; \$ millions

Original Request	\$353
ROE change from 11.25% to 10.25%	(56)
Capital structure change from 55/45 to 60/40	(49)
No increase of regulatory asset accrual	(63)
Extension of amortization of regulatory assets to 8 yrs	(15)
No change to vegetation management	(35)
Increased City Franchise Fees	12
All other (rate case expenses severed, reduction in CWC, etc.)	(10)
Settlement Revenues	\$137

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**PUC DOCKET NO. 38929 - STIPULATION
ONCOR ELECTRIC DELIVERY COMPANY LLC
PROPOSED REVENUES BY RATE CLASS**

Phase I Rates

<u>Line</u>	<u>Rate Class Description</u> (a)	<u>Number of Customers</u> (b)	<u>Present Revenues¹</u> (c)	<u>Proposed Revenues</u> (d)	<u>Proposed Changes</u> (e)	<u>% Change</u> (f)
1	Residential	2,685,933	\$1,042,474,076	\$1,086,860,456	\$44,386,380	4.3%
2	Secondary ≤ 10 kW	218,606	\$50,820,513	\$52,455,910	\$1,635,397	3.2%
3	Secondary > 10 kW	179,563	\$871,493,769	\$915,838,550	\$44,344,781	5.1%
4	Primary ≤ 10 kW	1,924	\$551,514	\$601,163	\$49,649	9.0%
5	Primary > 10 kW Dist. Line	4,035	\$112,365,844	\$112,049,272	(\$316,572)	-0.3%
6	Primary Substation	66	\$11,815,877	\$11,781,489	(\$34,388)	-0.3%
7	Transmission	174	\$47,123,142	\$46,772,182	(\$350,960)	-0.7%
8	Lighting	69,125	\$51,701,265	\$56,602,523	\$4,901,258	9.5%
9	Total	3,159,426	\$2,188,346,000	\$2,282,961,544	\$94,615,544	4.3%
10	Wholesale Substation	16	\$459,606	\$469,550	\$9,944	2.2%
11	Wholesale DLS	64	\$2,038,454	\$2,086,438	\$47,984	2.4%
12	Other Revenue	-	\$49,146,271	47,541,965	(\$1,604,306)	-3.3%
13	Grand Total	3,159,506	\$2,239,990,331	\$2,333,059,498	\$93,069,167	4.2%
14						
15	Network Transmission Revenue		\$544,310,069	\$544,310,069	\$0	0.0%
16	Transmission Related Other Revenues		\$24,942,038	\$25,594,919	\$652,881	2.6%
17	Total Cost of Service		\$2,809,242,438	\$2,902,964,486	\$93,722,048	3.3%

¹ Test-year revenues have been adjusted to annualize the Docket No. 35717 rate increase, to normalize billing units, to remove the revenues associated with Oncor's Advanced Metering Cost Recovery Factor, Energy Efficiency Cost Recovery Factor, and Rate Case Expense surcharge, and to increase test-year revenues to reflect TCOS and TCRF



**PUC DOCKET NO. 38929 - STIPULATION
ONCOR ELECTRIC DELIVERY COMPANY LLC
PROPOSED REVENUES BY RATE CLASS**

Phase II (Final) Rates

<u>Line</u>	<u>Rate Class Description</u> (a)	<u>Number of Customers</u> (b)	<u>Present Revenues¹</u> (c)	<u>Proposed Revenues</u> (d)	<u>Proposed Changes</u> (e)	<u>% Change</u> (f)
1	Residential	2,685,933	\$1,042,474,076	\$1,107,010,869	\$64,536,793	6.2%
2	Secondary ≤ 10 kW	218,606	\$50,820,513	\$53,198,343	\$2,377,830	4.7%
3	Secondary > 10 kW	179,563	\$871,493,769	\$935,970,079	\$64,476,310	7.4%
4	Primary ≤ 10 kW	1,924	\$551,514	\$623,702	\$72,188	13.1%
5	Primary > 10 kW Dist. Line	4,035	\$112,365,844	\$111,905,556	(\$460,288)	-0.4%
6	Primary Substation	66	\$11,815,877	\$11,765,877	(\$50,000)	-0.4%
7	Transmission	174	\$47,123,142	\$46,612,854	(\$510,288)	-1.1%
8	Lighting	69,125	\$51,701,265	\$58,827,584	\$7,126,319	13.8%
9	Total	3,159,426	\$2,188,346,000	\$2,325,914,864	\$137,568,864	6.3%
10	Wholesale Substation	16	\$459,606	\$474,113	\$14,507	3.2%
11	Wholesale DLS	64	\$2,038,454	\$2,108,453	\$69,999	3.4%
12	Other Revenue	-	\$49,146,271	47,562,068	(\$1,584,203)	-3.2%
13	Grand Total	3,159,506	\$2,239,990,331	\$2,376,059,498	\$136,069,167	6.1%
14						
15	Network Transmission Revenue		\$544,310,069	\$544,310,069	\$0	0.0%
16	Transmission Related Other Revenues		\$24,942,038	\$25,594,919	\$652,881	2.6%
17	Total Cost of Service		\$2,809,242,438	\$2,945,964,486	\$136,722,048	4.9%

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Residential Availability

- Modified to include limitation of Residential Service to “one Individual Private Dwelling per platted parcel of land”

Secondary \leq 10 kW

- Added a provision that requires a premise to consume 3,500 kWh and have a demand greater than 10 kW before it is transferred to Secondary Service Greater than 10 kW

Secondary $>$ 10 kW

- Retained Waiver of 80% ratchet provision for all loads between 10 and 20 kW
- Added a Load Factor Provision
 - for loads greater than 20 kW; and
 - with a Annual Load Factor less than 25%
- Load Factor Groups
 - 0 – 10%
 - 11-15%
 - 16 – 20%
 - 21 – 25%
 - Each load factor range has a separate Distribution System demand charge applied to actual monthly kW (NCP)
 - All other charges that use Distribution Billing kW will use the standard ratchet kW (TC, NDC, and RCE)



Lighting Service

- Schedule C & D charges based on Distribution System Charge for Secondary Less Than or Equal to 10 kW rate
- Maintained an LED/Low Wattage option for Schedule D
 - No specific rate for LED lights – waiting for results of pilot project installations

Riders

- Rider TCRF now includes transmission related expenses previously recovered through the Transmission Service Charge component of the base rates
- Rate Case Expense Surcharge – RCE2
 - Surcharge to recover expenses associated with putting on this rate case, including Municipal reimbursement of their rate case expenses
 - Includes some charges from Docket No. 35717
- SCUD Rider re-implemented
 - Provides 20% discount on TDU charges, excluding TC1, TC2, AMCRF, EECRF, RCE, and RCE2

Discretionary Service Charges

- Updated all meter-related discretionary service charges to recognize AMR/AMS deployment through June 2011
- Updated all other charges to reflect current costs
- Re-instituted “Service Call Charge”

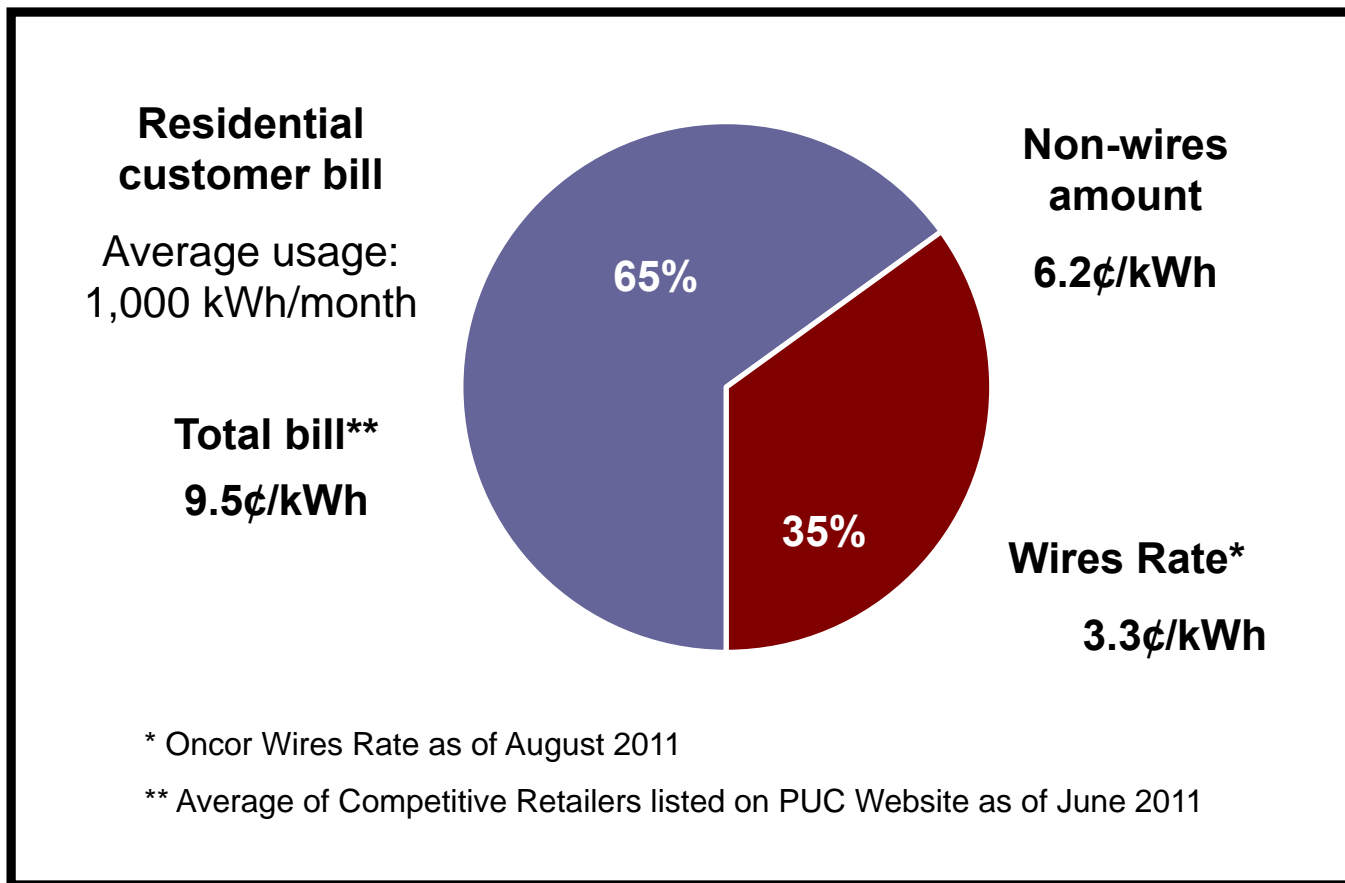


Changes to Company-Specific Terms and Conditions

- Added clarification regarding Network Service
- Added clarification regarding the costs included in the standard allowance
 - Equipment that the Company provides, installs, and maintains is and always has been included in the standard allowance



Currently, Oncor's portion of an average residential customer's bill is 35 percent of the total bill.





Questions??????