



FORM 10-Q

TXU ELECTRIC DELIVERY TRANSITION BOND CO LLC - N/A

Filed: November 06, 2008 (period: September 30, 2008)

Quarterly report which provides a continuing view of a company's financial position

Table of Contents

[10-Q - FORM 10-Q](#)

[PART I.](#)

[Item 1.](#)

[ITEM 1. FINANCIAL STATEMENTS](#)

[ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS](#)

[ITEM 4T. CONTROLS AND PROCEDURES](#)

[PART II.](#)

[Item 1A. RISK FACTORS](#)

[ITEM 5. OTHER INFORMATION](#)

[ITEM 6. EXHIBITS](#)

[SIGNATURE](#)

[EX-15 \(LETTER FROM INDEPENDENT REGISTERED ACCOUNTING FIRM\)](#)

[EX-99.\(A\).\(1\) \(MONTHLY SERVICER REPORT \(SERIES 2004-1 FOR JULY 2008\)\)](#)

[EX-99.\(A\).\(2\) \(MONTHLY SERVICER REPORT \(SERIES 2004-1 FOR AUGUST 2008\)\)](#)

[EX-99.\(A\).\(3\) \(MONTHLY SERVICER REPORT \(SERIES 2004-1 FOR SEPTEMBER 2008\)\)](#)

[EX-99.\(A\).\(4\) \(MONTHLY SERVICER REPORT \(SERIES 2003-1 FOR JULY 2008\)\)](#)

[EX-99.\(A\).\(5\) \(MONTHLY SERVICER REPORT \(SERIES 2003-1 FOR AUGUST 2008\)\)](#)

[EX-99.\(A\).\(6\) \(MONTHLY SERVICER REPORT \(SERIES 2003-1 FOR SEPTEMBER 2008\)\)](#)

[EX-99.\(B\) \(STATEMENT OF COLLECTION ACCOUNT BALANCES AS OF SEPTEMBER 30\)](#)

[EX-99.\(C\) \(A QUARTERLY STATEMENT\)](#)

[EX-99.\(D\) \(ANNUAL TRUE-UP OF TRANSITION CHARGES FOR THE SERIES 2003-1 TRANSITION BONDS\)](#)

[EX-99.\(E\).\(1\) \(STATEMENT OF OUTSTANDING BOND BALANCES SERIES 2003-1\)](#)

[EX-99.\(E\).\(2\) \(STATEMENT OF OUTSTANDING BOND BALANCES SERIES 2004-1\)](#)

[EX-99.\(F\) \(SEMI-ANNUAL SERVICER'S CERTIFICATE \(SERIES 2003-1 FOR AUGUST 2008\)\)](#)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2008

— OR —

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 333-91935

Oncor Electric Delivery Transition Bond Company LLC
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State of organization)

75-2851358
(I.R.S. Employer Identification No.)

1601 Bryan Street, Dallas, TX 75201
(Address of Principal Executive Offices)

(214) 486-2000
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-Accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 5, 2008, all outstanding membership interests in Oncor Electric Delivery Transition Bond Company LLC were held by Oncor Electric Delivery Company LLC.

Oncor Electric Delivery Transition Bond Company LLC meets the conditions set forth in General Instructions (H) (1) (a) and (b) of Form 10-Q and is therefore filing this report with the reduced disclosure format.

[Table of Contents](#)
TABLE OF CONTENTS

	<u>Page</u>
GLOSSARY	ii
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Condensed Statements of Income — Three and Nine Months Ended September 30, 2008 and 2007	1
Condensed Statements of Cash Flows — Nine Months Ended September 30, 2008 and 2007	2
Condensed Balance Sheets — September 30, 2008 and December 31, 2007	3
Notes to Condensed Financial Statements	4
Report of Independent Registered Public Accounting Firm	7
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	8
Item 4T. Controls and Procedures	11
PART II. OTHER INFORMATION	
Required Reports	11
Item 1A. Risk Factors	12
Item 5. Other Information	12
Item 6. Exhibits	13
SIGNATURE	14

Oncor Electric Delivery Transition Bond Company LLC’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports are made available to the public, free of charge, on the Oncor Electric Delivery Company LLC website at <http://www.oncor.com>, as soon as reasonably practicable after they have been filed with or furnished to the Securities and Exchange Commission. Oncor Electric Delivery Transition Bond Company LLC will provide copies of current reports not posted on the website upon request. The information on Oncor Electric Delivery Company LLC’s website shall not be deemed a part of, or incorporated by reference into, this report on Form 10-Q.

GLOSSARY

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

2003 Bonds	Refers collectively to the four series of securitization bonds issued in August 2003. One of these series was retired at maturity in 2007.
2004 Bonds	Refers collectively to the three series of securitization bonds issued in June 2004.
2007 Form 10-K/A	Oncor Electric Delivery Transition Bond Company LLC's Annual Report on Form 10-K, as amended, for the year ended December 31, 2007
Company	Oncor Electric Delivery Transition Bond Company LLC, a wholly-owned bankruptcy-remote financing subsidiary of Oncor
EFC Holdings	Refers to Energy Future Competitive Holdings Company, a direct, wholly-owned subsidiary of EFH Corp. and the direct parent of TCEH.
EFH Corp.	Refers to Energy Future Holdings Corp., a holding company, and/or its subsidiaries, depending on context.
ERCOT	Electric Reliability Council of Texas, the independent system operator and the regional coordinator of various electricity systems within Texas
Financing Order	The financing order issued by the PUCT on August 5, 2002 to Oncor, its successors and assignees that provide transmission and distribution service
GAAP	generally accepted accounting principles
Indenture	The agreement (dated as of August 21, 2003 as appended) between the Company, as issuer, and the Indenture Trustee, which describes the governing terms of, and secures payment of, the Transition Bonds
Indenture Trustee	The Bank of New York Mellon, a New York banking corporation
Intermediate Holding	Refers to Energy Future Intermediate Holding Company LLC, a direct wholly-owned subsidiary of EFH Corp. that owns 100% of Oncor Holdings.
Luminant	Refers to wholly-owned subsidiaries of TCEH engaged in competitive market activities consisting of electricity generation, development and construction of new generation facilities, wholesale energy sales and purchases as well as commodity risk management and trading activities, all largely in Texas.
Merger	The transaction referred to in "Merger Agreement" (defined immediately below) that was completed on October 10, 2007.
Merger Agreement	Agreement and Plan of Merger, dated February 25, 2007, under which Texas Holdings agreed to acquire TXU Corp. (now EFH Corp.)

[Table of Contents](#)

Oncor	Refers to Oncor Electric Delivery Company LLC, a direct subsidiary of Oncor Holdings, and/or its consolidated bankruptcy-remote financing subsidiary, Oncor Electric Delivery Transition Bond Company LLC, depending on context. This Form 10-Q and other SEC filings of Oncor and its subsidiaries occasionally make references to Oncor when describing actions, rights or obligations of its subsidiary. These references reflect the fact that the subsidiary is consolidated with Oncor for financial reporting purposes. However, these references should not be interpreted to imply that Oncor is actually undertaking the action or has the rights or obligations of its subsidiary or that the subsidiary company is undertaking an action or has the rights or obligations of its parent company or of any other affiliate.
Oncor Holdings	Refers to Oncor Electric Delivery Holdings Company LLC, a direct, wholly-owned subsidiary of Intermediate Holding and a direct parent of Oncor.
Oncor Ring-Fenced Entities	Refers to Oncor Holdings and its direct and indirect subsidiaries.
PUCT	Public Utility Commission of Texas
REP	retail electric provider
SEC	US Securities and Exchange Commission
Sponsor Group	Collectively, the investment funds affiliated with Kohlberg Kravis Roberts & Co. L.P., TPG Capital, L.P. and GS Capital Partners, an affiliate of Goldman Sachs & Co.
TCEH	Refers to Texas Competitive Electric Holdings Company LLC, a direct, wholly-owned subsidiary of EFC Holdings and an indirect, wholly-owned subsidiary of EFH Corp., and/or its subsidiaries, depending on context
Texas Holdings	Refers to Texas Energy Future Holdings Limited Partnership, a Delaware limited partnership controlled by the Sponsor Group, that is the direct parent of EFH Corp.
Texas Holdings Group	Refers to Texas Holdings and its direct and indirect subsidiaries other than the Oncor Ring-Fenced Entities.
Transition Bonds	Refers collectively to the 2003 Bonds and the 2004 Bonds.
TXU Energy	Refers to TXU Energy Retail Company LLC, a direct, wholly-owned subsidiary of TCEH engaged in the retail sale of electricity to residential and business customers. TXU Energy is a REP in competitive areas of ERCOT.
US	United States of America

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC
CONDENSED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Operating revenues:				
Transition charge revenues	\$ 40,107,326	\$ 41,606,418	\$ 108,240,853	\$ 111,891,307
Investment income	216,122	735,245	796,630	2,271,776
Total operating revenues	40,323,448	42,341,663	109,037,483	114,163,083
Operating expenses:				
Interest expense	11,316,239	12,233,887	34,600,278	37,311,493
Amortization of transition property	26,129,531	25,566,277	73,438,135	71,328,322
Over-recovery of transition charges	2,615,607	4,160,480	126,500	4,331,902
Servicing fees, administrative and general expenses	207,472	207,472	622,416	622,416
Total operating expenses	40,268,849	42,168,116	108,787,329	113,594,133
Net income	\$ 54,599	\$ 173,547	\$ 250,154	\$ 568,950

See Notes to Financial Statements.

[Table of Contents](#)

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2008	2007
Cash flows – operating activities:		
Net income	\$ 250,154	\$ 568,950
Adjustments to reconcile net income to cash provided by operating activities:		
Amortization of transition property	73,438,135	71,328,322
Over-recovery of transition charges	126,500	4,331,902
Changes in operating assets	(1,227,468)	(4,018,272)
Changes in operating liabilities	2,284,391	4,033,138
Cash provided by operating activities	74,871,712	76,244,040
Cash flows – financing activities:		
Repayment of debt	(67,053,438)	(64,582,930)
Distribution paid to parent	(467,252)	(573,912)
Cash used in financing activities	(67,520,690)	(65,156,842)
Cash flows – investing activities:		
Change in restricted funds	(7,546,537)	(11,087,198)
Cash used in investing activities	(7,546,537)	(11,087,198)
Net change in cash and cash equivalents	(195,515)	—
Cash and cash equivalents, beginning of period	196,515	1,000
Cash and cash equivalents, end of period	\$ 1,000	\$ 1,000
Supplemental cash flow disclosures:		
Cash interest payments	\$ 32,308,779	\$ 34,804,262

See Notes to Financial Statements.

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC
CONDENSED BALANCE SHEETS
(Unaudited)

	<u>September 30,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,000	\$ 196,515
Restricted cash (Note 5)	63,997,981	56,394,287
Transition charge receivable:		
Affiliates	9,910,854	9,564,885
All other	<u>12,315,479</u>	<u>11,433,980</u>
Total current assets	86,225,314	77,589,667
Investments:		
Restricted funds held in trust (Note 5)	16,488,929	16,546,086
Transition property, net of accumulated amortization of \$409,051,220 and \$335,613,085	<u>880,725,780</u>	<u>954,163,915</u>
Total assets	<u>\$ 983,440,023</u>	<u>\$ 1,048,299,668</u>
LIABILITIES AND MEMBER'S INTEREST		
Current liabilities:		
Long-term debt due currently	\$ 101,613,731	\$ 99,433,390
Accounts payable – affiliate	216,789	265,240
Accrued interest	12,733,540	10,442,041
Other current liabilities	<u>9,381,764</u>	<u>9,340,421</u>
Total current liabilities	123,945,824	119,481,092
Transition bonds (Note 3)	809,118,866	878,352,645
Regulatory liability	<u>33,916,555</u>	<u>33,790,055</u>
Total liabilities	966,981,245	1,031,623,792
Member's interest (Note 4)	<u>16,458,778</u>	<u>16,675,876</u>
Total liabilities and member's interest	<u>\$ 983,440,023</u>	<u>\$ 1,048,299,668</u>

See Notes to Financial Statements.

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC
NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES

Business — The Company is a bankruptcy-remote, special-purpose Delaware limited liability company, wholly-owned by Oncor. The Company was organized for the limited purpose of purchasing and owning transition property and issuing securitization (transition) bonds to recover generation-related regulatory assets and other qualified costs. Oncor is a regulated electricity transmission and distribution company principally engaged in providing delivery services to REPs, including subsidiaries of TCEH, that sell power in the north-central, eastern and western parts of Texas. Oncor is a direct subsidiary of Oncor Holdings, which is a direct wholly-owned subsidiary of Intermediate Holding, which is a direct, wholly-owned subsidiary of EFH Corp.

With the closing of the Merger on October 10, 2007, EFH Corp. became a subsidiary of Texas Holdings, which is controlled by the Sponsor Group. In connection with the Merger, Oncor was converted from a Texas corporation to a Delaware limited liability company under the laws of the States of Texas and Delaware.

As part of the Merger, EFH Corp. and Oncor implemented certain structural and operational “ring-fencing” measures, based on commitments made by Texas Holdings and Oncor to the PUCT, that are intended to further separate Oncor from Texas Holdings and its other subsidiaries. The assets and liabilities of the Oncor Ring-Fenced Entities are separate and distinct from those of the Texas Holdings Group, including TXU Energy and Luminant, and none of the assets of the Oncor Ring-Fenced Entities are available to satisfy the debt or other obligations of any member of the Texas Holdings Group. These measures also serve to mitigate Oncor’s credit exposure to those entities. Moreover, the cash flows of the Oncor Ring-Fenced Entities and their results of operations are separate from those of the Texas Holdings Group. Additional measures to enhance Oncor’s separateness are discussed in the 2007 Form 10-K/A.

Basis of Presentation — The condensed financial statements of the Company have been prepared in accordance with US GAAP and on the same basis as the audited financial statements included in its 2007 Form 10-K/A. All adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the results of operations and financial position have been included therein. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with US GAAP have been omitted pursuant to the rules and regulations of the SEC. Because the condensed interim financial statements do not include all of the information and footnotes required by US GAAP, they should be read in conjunction with the audited financial statements and related notes included in the 2007 Form 10-K/A. The results of operations for an interim period may not give a true indication of results for a full year.

Use of Estimates — The preparation of the Company’s financial statements requires management to make estimates and assumptions about future events that affect the reporting and disclosure of assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses. In the event estimates and/or assumptions prove to be different from actual amounts, adjustments are made in subsequent periods to reflect more current information. No material adjustments, other than those disclosed elsewhere herein, were made to previous estimates or assumptions during the current year.

Over/under-recovery of transition charges — The Company accounts for the difference between transition charge revenues and the total of interest expense, amortization of the transition property and other fees and expenses as an over/under-recovery of transition charges. To the extent revenues exceed expenses, the Company records an increase to expense with a corresponding increase to a regulatory liability. To the extent revenues are less than expenses, the Company records a decrease to expense with a corresponding decrease to the regulatory liability.

Table of Contents

Annual and interim true-up adjustments — Variations in customer usage impact transition charge revenues resulting in temporary over/under-recovery of transition charges. In such instances where sufficient funds are not collected through transition charges, the over-collateralization and the capital subaccounts are drawn down to make scheduled payments on the Transition Bonds. Oncor files, on behalf of the Company, an annual true-up adjustment with the PUCT with respect to each series of Transition Bonds. The annual true-up adjustments for the 2003 Bonds and the 2004 Bonds are filed in August and May, respectively. In the filing, Oncor requests the PUCT to increase or decrease the authorized transition charges such that, based on the then-current forecast of customer usage, sufficient funds will be collected during the following period to meet the scheduled debt service payments and replenish the over-collateralization and capital subaccounts to their required levels. The Company also has the right, under certain circumstances, to file interim true-up adjustment requests semi-annually, if needed, to make scheduled payments.

2. RELATED-PARTY TRANSACTIONS

Pursuant to administration and servicing agreements between the Company and Oncor, Oncor furnishes to the Company, at a fixed fee per year, billing, payment processing, collection, accounting, clerical, secretarial and other administrative services, which are reflected as administrative and general expenses in the income statement. The Company's expenses for servicing and administration activities performed by Oncor totaled \$206,472 for both the three months ended September 30, 2008 and 2007 and \$619,416 for both the nine months ended September 30, 2008 and 2007.

Transition charges billed to the REP subsidiaries of TCEH, which are included in operating revenues, totaled \$16,993,568 and \$18,936,024 for the three months ended September 30, 2008 and 2007, respectively, and \$45,451,867 and \$49,600,775 for the nine months ended September 30, 2008 and 2007, respectively. The balance of the transition charge receivable due from the REP subsidiaries of TCEH totaled \$9,910,854 at September 30, 2008 and \$9,564,885 at December 31, 2007.

Oncor, as servicer of the Transition Bonds, collects security deposits from REPs for payment of the REPs' transition charges and remits these amounts to the Company. There were no amounts outstanding from Oncor at September 30, 2008 or December 31, 2007. Oncor reviews the security amount for the REPs quarterly and requests increases when required.

Also see discussion in Note 4 regarding cash distributions.

3. FINANCING ARRANGEMENTS

Long-term debt — At September 30, 2008 and December 31, 2007, the Company's long-term debt consisted of the following:

	September 30, 2008	December 31, 2007
4.030% Fixed Series 2003 Bonds due in semi-annual installments through February 15, 2010	\$ 53,581,952	\$ 92,605,693
4.950% Fixed Series 2003 Bonds due in semi-annual installments through February 15, 2013	130,000,000	130,000,000
5.420% Fixed Series 2003 Bonds due in semi-annual installments through August 15, 2015	145,000,000	145,000,000
3.520% Fixed Series 2004 Bonds due in semi-annual installments through November 15, 2009	71,373,645	99,403,342
4.810% Fixed Series 2004 Bonds due in semi-annual installments through November 15, 2012	221,000,000	221,000,000
5.290% Fixed Series 2004 Bonds due in semi-annual installments through May 15, 2016	289,777,000	289,777,000
Total	910,732,597	977,786,035
Less amount due currently	101,613,731	99,433,390
Total long-term debt	\$ 809,118,866	\$ 878,352,645

Table of Contents

The transition property sold to the Company, as well as restricted cash of \$6,480,036 in the capital subaccount at September 30, 2008, are pledged as collateral for the Transition Bonds. Collections of transition charges will be used to pay the principal, interest and associated costs of the Transition Bonds. The Company is required to maintain restricted cash pledged as collateral for the Transition Bonds in an amount equal to 0.50% of the initial aggregate principal amount of Transition Bonds outstanding. Should the transition charges collected through the specified payment dates listed above not provide adequate funds to make the scheduled payments of principal, the transition charges can continue to be collected for approximately two years before the Transition Bonds go into default for nonpayment of principal.

Financial Covenants — The terms of the Indenture contain financial covenants that require maintenance of specified collateral deposits in proportion to the aggregate principal amount of the Transition Bonds outstanding. As of September 30, 2008, the Company was in compliance with such covenants.

4. MEMBER'S INTEREST

The Company receives interest income with respect to the Indenture Trustee reserve account and capital subaccounts. Cash distributions to Oncor, the amounts of which represent interest income released by the Indenture Trustee, totaled \$57,427 and \$467,252 in the three month and nine month periods ended September 30, 2008. The distributions are recorded as a reduction in Member's Interest.

The following table presents the changes in Member's Interest for the nine months ended September 30, 2008:

	Total Member's Interest
Balance at December 31, 2007	\$ 16,675,876
Distributions paid to parent	(467,252)
Net income	250,154
Balance at September 30, 2008	<u>\$ 16,458,778</u>

5. RESTRICTED CASH

	Balance Sheet Classification			
	At September 30, 2008		At December 31, 2007	
	Current Assets	Investment	Current Assets	Investment
Collections related to Transition Bonds used only to service debt and pay expenses (includes over-collateralization subaccount of \$2,368,220, \$—, \$2,005,591 and \$—)	\$ 63,997,981	\$ —	\$ 56,394,287	\$ —
Funds for payment of fees associated with Transition Bonds (Indenture Trustee reserve account)	—	10,008,893	—	10,030,476
Reserve for shortfalls of Transition Bond charges (capital subaccount)	—	6,480,036	—	6,515,610
Total	<u>\$ 63,997,981</u>	<u>\$ 16,488,929</u>	<u>\$ 56,394,287</u>	<u>\$ 16,546,086</u>

[Table of Contents](#)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Managers and Member of
Oncor Electric Delivery Transition Bond Company LLC:

We have reviewed the accompanying condensed balance sheet of Oncor Electric Delivery Transition Bond Company LLC (the "Company") as of September 30, 2008, and the related condensed statements of income for the three-month and nine-month periods ended September 30, 2008 and 2007, and of cash flows for the nine-month periods ended September 30, 2008 and 2007. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such condensed interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the balance sheet of the Company as of December 31, 2007, and the related statements of income, member's interest and cash flows for the year then ended (not presented herein); and in our report dated March 31, 2008, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying condensed balance sheet as of December 31, 2007 is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

/s/ Deloitte & Touche LLP

Dallas, Texas
November 5, 2008

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
BUSINESS

The Company is a bankruptcy-remote, special-purpose Delaware limited liability company, wholly-owned by Oncor. The Company was organized for the limited purpose of purchasing and owning transition property and issuing securitization (transition) bonds to recover generation-related regulatory assets and other qualified costs. Oncor is a regulated electricity transmission and distribution company principally engaged in providing delivery services to REPs, including subsidiaries of TCEH, that sell power in the north-central, eastern and western parts of Texas. Oncor is a direct subsidiary of Oncor Holdings, which is a direct, wholly-owned subsidiary of Intermediate Holding, which is a direct, wholly-owned subsidiary of EFH Corp.

With the closing of the Merger on October 10, 2007, EFH Corp. became a subsidiary of Texas Holdings, which is controlled by the Sponsor Group. In connection with the Merger, Oncor was converted from a Texas corporation to a Delaware limited liability company.

As part of the Merger, EFH Corp. and Oncor implemented certain structural and operational "ring-fencing" measures, based on commitments made by Texas Holdings and Oncor to the PUCT, that are intended to further separate Oncor from Texas Holdings and its other subsidiaries. The assets and liabilities of the Oncor Ring-Fenced Entities are separate and distinct from those of the Texas Holdings Group, including TXU Energy and Luminant, and none of the assets of the Oncor Ring-Fenced Entities are available to satisfy the debt or other obligations of any member of the Texas Holdings Group. These measures also serve to mitigate Oncor's credit exposure to those entities. Moreover, the cash flows of the Oncor Ring-Fenced Entities and their results of operations are separate from those of the Texas Holdings Group. Additional measures to enhance Oncor's separateness are discussed in the 2007 Form 10-K/A.

RESULTS OF OPERATIONS — *Three and Nine Months Ended September 30, 2008 Compared to Three and Nine Months Ended September 30, 2007*

Operating revenue decreased \$2,018,215, or 5%, to \$40,323,448 for the three months ended September 30, 2008 and decreased \$5,125,600, or 4%, to \$109,037,483 for the nine months ended September 30, 2008 as described below:

- Transition charge revenues decreased \$1,499,092 to \$40,107,326 for the three months ended September 30, 2008 driven by a decrease in the transition charge tariff reflecting annual true-up adjustments (see Note 1 to Financial Statements). Transition charge revenues decreased \$3,650,454 to \$108,240,853 for the nine months ended September 30, 2008 driven by a decrease in the transition charge tariff, partially offset by an increase in volumes delivered.
- Investment income decreased \$519,123 to \$216,122 for the three months ended September 30, 2008 and \$1,475,146 to \$796,630 for the nine months ended September 30, 2008 primarily due to lower interest rates. Investment income represents earnings on restricted cash balances. The restricted cash is invested in short-term US government securities.

Interest expense decreased \$917,648 to \$11,316,239 for the three months ended September 30, 2008 and \$2,711,215 to \$34,600,278 for the nine months ended September 30, 2008 reflecting scheduled principal payments on the Transition Bonds.

Amortization of transition property increased \$563,254 to \$26,129,531 for the three months ended September 30, 2008 and \$2,109,813 to \$73,438,135 for the nine months ended September 30, 2008 reflecting increased principal payments on the Transition Bonds.

[Table of Contents](#)

The Company recorded expenses for the over-recovery of transition charges of \$2,615,607 and \$4,160,480 for the three months ended September 30, 2008 and 2007, respectively. The Company recorded expenses for the over-recovery of transition charges of \$126,500 and \$4,331,902 for the nine months ended September 30, 2008 and 2007, respectively. See discussion under "Over/under-recovery of transition charges" in Note 1 to the Financial Statements.

Net income totaled \$54,599 and \$173,547 for the three months ended September 30, 2008 and 2007, respectively, and \$250,154 and \$568,950 for the nine months ended September 30, 2008 and 2007, respectively. Net income includes interest earned on the Indenture Trustee reserve account and capital subaccounts, which the Company expects to periodically distribute to Oncor as released by the Indenture Trustee. See Note 4 to the Financial Statements.

FINANCIAL CONDITION

Cash Flows — Cash flows provided by operating activities decreased \$1,372,328, or 2%, to \$74,871,712 for the nine months ended September 30, 2008 driven by:

- lower transition charge revenues of \$3,650,454 somewhat offset by a relative decrease in transition charge receivables of \$2,790,390, reflecting annual true-up adjustments;
- a decrease of \$1,475,146 in investment income primarily due to lower interest rates, and
- the receipt of \$1,533,016 more net customer deposits (reported in other current liabilities on the balance sheet) in the 2007 period, partially offset by a \$2,495,483 decrease in cash interest payments as a result of principal payments on the Transition Bonds.

Financing activities used cash flows of \$67,520,690 and \$65,156,842 for the nine months ended September 30, 2008 and 2007, respectively, representing scheduled principal payments on the Transition Bonds and distributions to Oncor of interest income earned on the Indenture Trustee reserve account and capital subaccount.

Cash flows used in investing activities totaled \$7,546,537 and \$11,087,198 for the nine months ended September 30, 2008 and 2007, respectively. The change in investing activity represents changes in the balances of restricted cash accounts.

As discussed in Note 1 to the Financial Statements, Oncor, as servicer, files for increases or decreases (true-ups) in transition charges with the PUCT to ensure sufficient funds will be collected during the following period to meet scheduled payments on the Transition Bonds and to maintain the capital and over-collateralization subaccounts at the required levels. The latest filings of the annual true-ups for the Transition Bonds were in May and August 2008. Based on the approved transition charges and current forecast of customer usage, the Company expects that revenues collected will be sufficient to make the scheduled payments.

As of September 30, 2008, restricted cash included the balance in the capital subaccount of \$2,506,039 compared to the required level of \$2,500,000 for the 2003 Bonds and \$3,973,997 compared to the required level of \$3,948,885 for the 2004 Bonds. Additionally, as of September 30, 2008, the balance in the over-collateralization subaccount for the 2003 Bonds was \$1,043,897, compared to the required level of \$1,041,666, and for the 2004 Bonds was \$1,324,323, compared to the required level of \$1,316,296. There are no penalties as a result of being above or below the required levels in the capital and over-collateralization subaccounts. Any future shortfalls in the subaccounts for either series of Transition Bonds would be addressed in future true-up filings.

Table of Contents

Member's Interest — During 2008, the Company declared and paid the following cash distributions to Oncor.

<u>Declaration Date</u>	<u>Payment Date</u>	<u>Amount</u>
September 26, 2008	September 30, 2008	\$ 57,427
June 26, 2008	June 26, 2008	\$ 89,556
March 27, 2008	March 27, 2008	\$ 124,754
January 3, 2008	January 10, 2008	\$ 195,515

The distributions represent interest income released by the Indenture Trustee and were recorded as reductions in Member's Interest.

FINANCING ACTIVITIES

The Company's financing needs are limited to issuance of the Transition Bonds. There is no provision to allow for any other borrowings.

Financial Covenants, Credit Rating Provisions and Cross Default Provisions — The terms of the Indenture contain financial covenants that require maintenance of specified collateral deposits in proportion to the aggregate principal amount of the Transition Bonds outstanding. As of September 30, 2008, the Company was in compliance with such covenants.

CHANGES IN ACCOUNTING STANDARDS

There have been no recently issued accounting standards effective after September 30, 2008 that are expected to materially impact the Company.

FORWARD-LOOKING STATEMENTS

This report and other presentations made by the Company contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Although the Company believes that in making any such statement its expectations are based on reasonable assumptions, any such statement involves uncertainties and is qualified in its entirety by reference to the risks discussed under "Risk Factors" in the 2007 Form 10-K/A and the following important factors, among others that could cause the actual results of the Company to differ materially from those projected in such forward-looking statements:

- state or federal legislative or regulatory developments or judicial actions;
- national or regional economic conditions;
- the accuracy of the servicer's estimates of market demand and prices for electricity;
- the accuracy of the servicer's estimates of industrial, commercial and residential growth in Oncor's service territory, including related estimates of conservation and electricity usage efficiency;
- weather conditions and other natural phenomena affecting retail customer electricity usage;
- acts of sabotage, terrorist activities or other catastrophic events;
- the speed, degree and effect of continued electricity industry restructuring;
- the operating performance of Oncor's facilities and third-party suppliers of electricity in Oncor's service territory;
- the accuracy of the servicer's estimates of the payment patterns of retail electricity customers, including the rate of delinquencies and any collections curves, and
- the operational and financial ability of REPs to bill and collect transition charges and make timely payments of amounts billed by the servicer to the REPs for transition charges.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for the Company to predict all of such factors, nor can it assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

ITEM 4T. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management, including the principal executive officer and principal financial officer, of the effectiveness of the design and operation of the disclosure controls and procedures in effect as of the end of the current period including in this quarterly report. Based on the evaluation performed, the Company's management, including the principal executive officer and principal financial officer, concluded that the disclosure controls and procedures were effective. During the most recent fiscal quarter covered by this quarterly report, there has been no change in the Company's internal controls over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

REQUIRED REPORTS

The Company has included in this quarterly report on Form 10-Q or furnished on its website at www.oncor.com, as indicated, the following information in respect of each series of outstanding Transition Bonds, as required by the terms of the Indenture relating to the Transition Bonds. Exhibits that are filed as a part of this Form 10-Q are listed below.

<u>Required Item</u>	<u>Filed as Exhibit or Furnished on Website</u>
Monthly Servicer Report (Series 2004-1 for July 2008)	Exhibit 99(a)(1)
Monthly Servicer Report (Series 2004-1 for August 2008)	Exhibit 99(a)(2)
Monthly Servicer Report (Series 2004-1 for September 2008)	Exhibit 99(a)(3)
Monthly Servicer Report (Series 2003-1 for July 2008)	Exhibit 99(a)(4)
Monthly Servicer Report (Series 2003-1 for August 2008)	Exhibit 99(a)(5)
Monthly Servicer Report (Series 2003-1 for September 2008)	Exhibit 99(a)(6)
Statement of Collection Account Balances as of September 30, 2008	Exhibit 99(b)
A quarterly statement affirming that, in all material respects, for each materially significant REP, (a) each REP has been billed in compliance with the requirements outlined in the Financing Order, (b) each REP has made payments in compliance with the requirements outlined in the Financing Order, and (c) each REP satisfies the creditworthiness requirements of the Financing Order.	Exhibit 99(c)
Annual True-up of Transition Charges for the Series 2003-1 Transition Bonds	Exhibit 99(d)
Statement of Outstanding Bond Balances Series 2003-1	Exhibit 99(e)(1)
Statement of Outstanding Bond Balances Series 2004-1	Exhibit 99(e)(2)
Semi-Annual Servicer's Certificate (Series 2003-1 for August 2008)	Exhibit 99(f)

Item 1A. RISK FACTORS

There have been no material changes in risk factors of the Company since December 31, 2007 as disclosed in the 2007 Form 10-K/A.

ITEM 5. OTHER INFORMATION

In response to a comment letter that the Company has received from the SEC, the Company filed an amendment to each of its Annual Reports on Forms 10-K for the years ended December 31, 2006 and December 31, 2007 (the "Annual Reports") to include a certification prescribed by the SEC's February 21, 2003 Revised Statement: Compliance by Asset-Backed Issuers with Exchange Act Rules 13a-14 and 15d-14. This Revised Statement requires that the Company certify that the Annual Reports disclose all significant deficiencies relating to Oncor's compliance, as servicer, with the minimum servicing standards set forth in the servicing agreement. The certification is based upon a report provided by an independent public accountant, after conducting a review in compliance with the Uniform Single Attestation Program for Mortgage Bankers or similar procedure.

[Table of Contents](#)

ITEM 6. EXHIBITS

(a) Exhibits:

<u>Exhibits</u>	<u>As Exhibit</u>
(15)	Letter re: Unaudited Financial Information
15	— Letter from independent registered accounting firm as to unaudited interim financial information.
(99)	Additional Exhibits
99(a)(1)	— Monthly Servicer Report (Series 2004-1 for July 2008)
99(a)(2)	— Monthly Servicer Report (Series 2004-1 for August 2008)
99(a)(3)	— Monthly Servicer Report (Series 2004-1 for September 2008)
99(a)(4)	— Monthly Servicer Report (Series 2003-1 for July 2008)
99(a)(5)	— Monthly Servicer Report (Series 2003-1 for August 2008)
99(a)(6)	— Monthly Servicer Report (Series 2003-1 for September 2008)
99(b)	— Statement of Collection Account Balances as of September 30, 2008
99(c)	— A quarterly statement affirming that, in all material respects, for each materially significant REP, (a) each REP has been billed in compliance with the requirements outlined in the Financing Order; (b) each REP has made payments in compliance with the requirements outlined in the Financing Order, and (c) each REP satisfies the creditworthiness requirements of the Financing Order.
99(d)	— Annual True-up of Transition Charges for the Series 2003-1 Transition Bonds
99(e) (1)	— Statement of Outstanding Bond Balances Series 2003-1
99(e) (2)	— Statement of Outstanding Bond Balances Series 2004-1
99(f)	— Semi-Annual Servicer's Certificate (Series 2003-1 for August 2008)

Oncor Electric Delivery Transition Bond Company LLC
1601 Bryan Street
Dallas, TX 75201

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of Oncor Electric Delivery Transition Bond Company LLC for the periods ended September 30, 2008 and 2007, as indicated in our report dated November 5, 2008; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, is incorporated by reference in Registration Statement No. 333-91935 on Form S-3.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ Deloitte & Touche LLP

Dallas, Texas
November 5, 2008

MONTHLY SERVICER'S CERTIFICATE
(TO BE DELIVERED EACH MONTH PURSUANT TO SECTION 3.01(b)(i)
OF THE SERIES 2004-1 TRANSITION PROPERTY SERVICING AGREEMENT)

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC,
Series 2004-1 Bonds

Oncor Electric Delivery Company LLC, as Servicer

Pursuant to the Series 2004-1 Transition Property Servicing Agreement dated as of June 7, 2004 (the "Series 2004-1 Transition Property Servicing Agreement") between Oncor Electric Delivery Company LLC, as Servicer, and Oncor Electric Delivery Transition Bond Company LLC, as Issuer, the Servicer does hereby certify as follows:

SERIES 2004-1 COLLECTION PERIOD: July 2008

<u>Customer Class</u>	<u>a. Series 2004-1 Transition Charges in Effect</u>	<u>b. Series 2004-1 Transition Charges Billed</u>	<u>c. Actual Series 2004-1 Transition Charge Payments Received</u>	<u>d. Series 2004-1 Transition Charge Remittances Made to Trustee</u>
Residential Service	\$ 0.000969 / kWh	\$ 4,096,014.43	\$ 3,259,404.40	\$ 3,259,404.40
General Service Secondary		\$ 3,243,651.91	\$ 3,209,355.23	\$ 3,209,355.23
Non-demand	\$ 0.000684 / kWh			
Demand	\$ 0.264 / kW			
General Service Primary		\$ 449,144.60	\$ 506,539.77	\$ 506,539.77
Non-demand	\$ 0.000309 / kWh			
Demand	\$ 0.237 / kW			
High Voltage Service	\$ 0.143 / kW	\$ 122,656.30	\$ 241.27	\$ 241.27
Lighting Service	\$ 0.001230 / kWh	\$ 49,014.47	\$ 43,671.10	\$ 43,671.10
Instantaneous Interruptible	\$ 0.148 / kW	\$ 128,416.90	\$ 152,872.62	\$ 152,872.62
Noticed Interruptible	\$ 0.233 / kW	\$ 195,129.38	\$ 178,582.18	\$ 178,582.18
Total		\$ 8,284,027.99	\$ 7,350,666.57	\$ 7,350,666.57

Capitalized terms used herein have their respective meanings set forth in the Series 2004-1 Transition Property Servicing Agreement.

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Monthly Servicer's Certificate this 10th day of August, 2008.

ONCOR ELECTRIC DELIVERY COMPANY LLC,
as Servicer

By: /s/ John M. Casey
Name: John M. Casey
Title: Treasurer

MONTHLY SERVICER'S CERTIFICATE
(TO BE DELIVERED EACH MONTH PURSUANT TO SECTION 3.01(b)(i)
OF THE SERIES 2004-1 TRANSITION PROPERTY SERVICING AGREEMENT)

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC,
Series 2004-1 Bonds

Oncor Electric Delivery Company LLC, as Servicer

Pursuant to the Series 2004-1 Transition Property Servicing Agreement dated as of June 7, 2004 (the "Series 2004-1 Transition Property Servicing Agreement") between Oncor Electric Delivery Company LLC, as Servicer, and Oncor Electric Delivery Transition Bond Company LLC, as Issuer, the Servicer does hereby certify as follows:

SERIES 2004-1 COLLECTION PERIOD: August 2008

<u>Customer Class</u>	a. Series 2004-1 Transition Charges in Effect	b. Series 2004-1 Transition Charges Billed	c. Actual Series 2004-1 Transition Charge Payments Received	d. Series 2004-1 Transition Charge Remittances Made to Trustee
Residential Service	\$ 0.000969 / kWh	\$ 4,377,597.98	\$ 3,892,984.51	\$ 3,892,984.51
General Service Secondary		\$ 3,279,744.26	\$ 3,137,320.55	\$ 3,137,320.55
Non-demand	\$ 0.000684 / kWh			
Demand	\$ 0.264 / kW			
General Service Primary		\$ 455,220.98	\$ 452,710.43	\$ 452,710.43
Non-demand	\$ 0.000309 / kWh			
Demand	\$ 0.237 / kW			
High Voltage Service	\$ 0.143 / kW	\$ 113,570.31	\$ 127,164.91	\$ 127,164.91
Lighting Service	\$ 0.001230 / kWh	\$ 48,951.70	\$ 52,862.91	\$ 52,862.91
Instantaneous Interruptible	\$ 0.148 / kW	\$ 141,766.69	\$ 139,944.40	\$ 139,944.40
Noticed Interruptible	\$ 0.233 / kW	\$ 198,261.44	\$ 222,125.02	\$ 222,125.02
Total		\$ 8,615,113.36	\$ 8,025,112.73	\$ 8,025,112.73

Capitalized terms used herein have their respective meanings set forth in the Series 2004-1 Transition Property Servicing Agreement.

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Monthly Servicer's Certificate this 8th day of September, 2008.

ONCOR ELECTRIC DELIVERY COMPANY LLC,
as Servicer

By: /s/ John M. Casey
Name: John M. Casey
Title: Treasurer

MONTHLY SERVICER'S CERTIFICATE
 (TO BE DELIVERED EACH MONTH PURSUANT TO SECTION 3.01(b)(i)
 OF THE SERIES 2004-1 TRANSITION PROPERTY SERVICING AGREEMENT)

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC,
 Series 2004-1 Bonds

Oncor Electric Delivery Company LLC, as Servicer

Pursuant to the Series 2004-1 Transition Property Servicing Agreement dated as of June 7, 2004 (the "Series 2004-1 Transition Property Servicing Agreement") between Oncor Electric Delivery Company LLC, as Servicer, and Oncor Electric Delivery Transition Bond Company LLC, as Issuer, the Servicer does hereby certify as follows:

SERIES 2004-1 COLLECTION PERIOD: September 2008

<u>Customer Class</u>	<u>a. Series 2004-1 Transition Charges in Effect</u>	<u>b. Series 2004-1 Transition Charges Billed</u>	<u>c. Actual Series 2004-1 Transition Charge Payments Received</u>	<u>d. Series 2004-1 Transition Charge Remittances Made to Trustee</u>
Residential Service	\$ 0.000969 / kWh	\$ 3,720,864.33	\$ 4,586,330.03	\$ 4,586,330.03
General Service Secondary		\$ 3,288,164.38	\$ 3,475,929.74	\$ 3,475,929.74
Non-demand	\$ 0.000684 / kWh			
Demand	\$ 0.264 / kW			
General Service Primary		\$ 457,056.96	\$ 463,418.97	\$ 463,418.97
Non-demand	\$ 0.000309 / kWh			
Demand	\$ 0.237 / kW			
High Voltage Service	\$ 0.143 / kW	\$ 115,963.18	\$ 89,797.54	\$ 89,797.54
Lighting Service	\$ 0.001230 / kWh	\$ 49,076.15	\$ 52,792.04	\$ 52,792.04
Instantaneous Interruptible	\$ 0.148 / kW	\$ 137,135.16	\$ 144,985.92	\$ 144,985.92
Noticed Interruptible	\$ 0.233 / kW	\$ 197,314.63	\$ 169,388.47	\$ 169,388.47
Total		\$ 7,965,574.79	\$ 8,982,642.71	\$ 8,982,642.71

Capitalized terms used herein have their respective meanings set forth in the Series 2004-1 Transition Property Servicing Agreement.

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Monthly Servicer's Certificate this 9th day of October, 2008.

ONCOR ELECTRIC DELIVERY COMPANY LLC,
as Servicer

By: /s/ John M. Casey
Name: John M. Casey
Title: Treasurer

MONTHLY SERVICER'S CERTIFICATE
(TO BE DELIVERED EACH MONTH PURSUANT TO SECTION 3.01(b)(i)
OF THE SERIES 2003-1 TRANSITION PROPERTY SERVICING AGREEMENT)

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC,
Series 2003-1 Bonds

Oncor Electric Delivery Company LLC, as Servicer

Pursuant to the Series 2003-1 Transition Property Servicing Agreement dated as of August 21, 2003 (the "Series 2003-1 Transition Property Servicing Agreement") between Oncor Electric Delivery Company LLC, as Servicer, and Oncor Electric Delivery Transition Bond Company LLC, as Issuer, the Servicer does hereby certify as follows:

SERIES 2003-1 COLLECTION PERIOD: July 2008

<u>Customer Class</u>	<u>a. Series 2003-1 Transition Charges in Effect</u>	<u>b. Series 2003-1 Transition Charges Billed</u>	<u>c. Actual Series 2003-1 Transition Charge Payments Received</u>	<u>d. Series 2003-1 Transition Charge Remittances Made to Trustee</u>
Residential Service	\$ 0.000653 / kWh	\$ 2,813,306.12	\$ 2,233,944.27	\$ 2,233,944.27
General Service Secondary		\$ 2,081,958.15	\$ 2,049,896.79	\$ 2,049,896.79
Non-demand	\$ 0.000295 / kWh			
Demand	\$ 0.167 / kW			
General Service Primary		\$ 239,959.32	\$ 280,868.89	\$ 280,868.89
Non-demand	\$ 0.000205 / kWh			
Demand	\$ 0.150 / kW			
High Voltage Service	\$ 0.083 / kW	\$ 132,148.88	\$ 58,153.25	\$ 58,153.25
Lighting Service	\$ 0.000761 / kWh	\$ 30,285.81	\$ 26,981.19	\$ 26,981.19
Instantaneous Interruptible	\$ 0.091 / kW	\$ 82,248.14	\$ 97,226.70	\$ 97,226.70
Noticed Interruptible	\$ 0.148 / kW	<u>\$ 123,505.85</u>	<u>\$ 113,068.86</u>	<u>\$ 113,068.86</u>
Total		\$ 5,503,412.27	\$ 4,860,139.95	\$ 4,860,139.95

Capitalized terms used herein have their respective meanings set forth in the Series 2003-1 Transition Property Servicing Agreement.

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Monthly Servicer's Certificate this 10th day of August, 2008.

ONCOR ELECTRIC DELIVERY COMPANY LLC,
as Servicer

By: /s/ John M. Casey
Name: John M. Casey
Title: Treasurer

MONTHLY SERVICER'S CERTIFICATE
 (TO BE DELIVERED EACH MONTH PURSUANT TO SECTION 3.01(b)(i)
 OF THE SERIES 2003-1 TRANSITION PROPERTY SERVICING AGREEMENT)

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC,
 Series 2003-1 Bonds

Oncor Electric Delivery Company LLC, as Servicer

Pursuant to the Series 2003-1 Transition Property Servicing Agreement dated as of August 21, 2003 (the "Series 2003-1 Transition Property Servicing Agreement") between Oncor Electric Delivery Company LLC, as Servicer, and Oncor Electric Delivery Transition Bond Company LLC, as Issuer, the Servicer does hereby certify as follows:

SERIES 2003-1 COLLECTION PERIOD: August 2008

<u>Customer Class</u>	a. Series 2003-1 Transition Charges in Effect	b. Series 2003-1 Transition Charges Billed	c. Actual Series 2003-1 Transition Charge Payments Received	d. Series 2003-1 Transition Charge Remittances Made to Trustee
Residential Service	\$ 0.000653 / kWh	\$ 3,006,707.73	\$ 2,674,040.51	\$ 2,674,040.51
General Service Secondary		\$ 2,106,334.91	\$ 2,010,878.24	\$ 2,010,878.24
Non-demand	\$ 0.000295 / kWh			
Demand	\$ 0.167 / kW			
General Service Primary		\$ 243,197.90	\$ 242,240.44	\$ 242,240.44
Non-demand	\$ 0.000205 / kWh			
Demand	\$ 0.150 / kW			
High Voltage Service	\$ 0.083 / kW	\$ 122,925.63	\$ 136,698.58	\$ 136,698.58
Lighting Service	\$ 0.000761 / kWh	\$ 30,244.83	\$ 32,640.75	\$ 32,640.75
Instantaneous Interruptible	\$ 0.091 / kW	\$ 90,796.75	\$ 89,278.16	\$ 89,278.16
Noticed Interruptible	\$ 0.148 / kW	\$ 125,515.89	\$ 140,614.30	\$ 140,614.30
Total		\$ 5,725,723.64	\$ 5,326,390.98	\$ 5,326,390.98

Capitalized terms used herein have their respective meanings set forth in the Series 2003-1 Transition Property Servicing Agreement.

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Monthly Servicer's Certificate this 8th day of September, 2008.

ONCOR ELECTRIC DELIVERY COMPANY LLC,
as Servicer

By: /s/ John M. Casey
Name: John M. Casey
Title: Treasurer

MONTHLY SERVICER'S CERTIFICATE
(TO BE DELIVERED EACH MONTH PURSUANT TO SECTION 3.01(b)(i)
OF THE SERIES 2003-1 TRANSITION PROPERTY SERVICING AGREEMENT)

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC,
Series 2003-1 Bonds

Oncor Electric Delivery Company LLC, as Servicer

Pursuant to the Series 2003-1 Transition Property Servicing Agreement dated as of August 21, 2003 (the "Series 2003-1 Transition Property Servicing Agreement") between Oncor Electric Delivery Company LLC, as Servicer, and Oncor Electric Delivery Transition Bond Company LLC, as Issuer, the Servicer does hereby certify as follows:

SERIES 2003-1 COLLECTION PERIOD: September 2008

<u>Customer Class</u>	<u>a. Series 2003-1 Transition Charges in Effect</u>	<u>b. Series 2003-1 Transition Charges Billed</u>	<u>c. Actual Series 2003-1 Transition Charge Payments Received</u>	<u>d. Series 2003-1 Transition Charge Remittances Made to Trustee</u>
Residential Service	\$ 0.000653 / kWh	\$ 2,191,826.10	\$ 3,148,629.98	\$ 3,148,629.98
General Service Secondary		\$ 2,147,128.07	\$ 2,231,871.18	\$ 2,231,871.18
Non-demand	\$ 0.000295 / kWh			
Demand	\$ 0.167 / kW			
General Service Primary		\$ 286,694.97	\$ 248,324.85	\$ 248,324.85
Non-demand	\$ 0.000205 / kWh			
Demand	\$ 0.150 / kW			
High Voltage Service	\$ 0.083 / kW	\$ 98,118.09	\$ 96,368.90	\$ 96,368.90
Lighting Service	\$ 0.000761 / kWh	\$ 30,821.54	\$ 32,635.23	\$ 32,635.23
Instantaneous Interruptible	\$ 0.091 / kW	\$ 89,761.43	\$ 92,859.58	\$ 92,859.58
Noticed Interruptible	\$ 0.148 / kW	<u>\$ 130,586.78</u>	<u>\$ 107,266.16</u>	<u>\$ 107,266.16</u>
Total		\$ 4,974,936.98	\$ 5,957,955.88	\$ 5,957,955.88

Capitalized terms used herein have their respective meanings set forth in the Series 2003-1 Transition Property Servicing Agreement.

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Monthly Servicer's Certificate this 9th day of October, 2008.

ONCOR ELECTRIC DELIVERY COMPANY LLC,
as Servicer

By: /s/ John M. Casey
Name: John M. Casey
Title: Treasurer

Oncor Electric Delivery Transition Bond Company LLC
Statement of Collection Account Balances as of
September 30, 2008

The balances in the sub-accounts on deposit with the trustee as of the above date were:

	Series 2003-1	Series 2004-1
General Sub-Account	\$ 37,576,883.45	\$ 11,826,153.22
Capital Sub-Account	\$ 2,503,400.29	\$ 3,969,813.53
Overcollateralization Sub-Account	\$ 1,043,007.59	\$ 1,323,194.14
Reserve Sub-Account	\$ 1,267,203.33	\$ 1,539,369.88
REP Deposit Account *	\$ 9,371,821.47	

* REP deposits are held in one account with a sub-ledger outlining the respective amount of each REP's deposit attributable to each series of bonds.

QUARTERLY AFFIRMATION STATEMENT

This Quarterly Statement is being provided pursuant to the requirement of Section 3.07(h)VIII of that certain Indenture dated as of August 21, 2003 between Oncor Electric Delivery Transition Bond Company LLC (the "Transition Bond Company"), as Issuer, and The Bank of New York, as Indenture Trustee, (as originally executed and, as from time to time supplemented or amended by one or more Series Supplements or indentures supplemental thereto entered into pursuant to the applicable provisions of the Indenture, as so supplemented or amended, or both, the "Indenture"). Capitalized terms used herein and not otherwise defined herein, shall have the meaning ascribed to such term in Appendix A of the Indenture.

I, John M. Casey, hereby certify that I am the Treasurer of Oncor Electric Delivery Company LLC ("Oncor"), the parent company of the Transition Bond Company, and the servicer of the transition bonds under that certain Series 2003-1 Transition Property Servicing Agreement, dated as of August 21, 2003 and that certain Series 2004-1 Transition Property Servicing Agreement dated as of June 7, 2004 between the Transition Bond Company and Oncor.

I hereby affirm that, in all material respects, for each materially significant REP for which Oncor provided electric delivery transmission and distribution services for the quarterly period ending June 30, 2008, (a) each REP has been billed in compliance with the requirements outlined in the Financing Order; (b) each REP has made payments in compliance with the requirements outlined in the Financing Order; and (c) each REP satisfies the creditworthiness requirements of the Financing Order.

DATED as of September 30, 2008

/s/ John M. Casey

John M. Casey

Annual True-up of Transition Charges

The following is a link to the Annual True-up of Transition Charges for the Series 2003-1 Transition Bonds, filed on August 15, 2008 by Oncor Electric Delivery Company LLC, as Servicer of the Bonds.

<http://www.txuelectricdelivery.com/electricity/transition/series2003.aspx>

Oncor Electric Delivery Transition Bond Company LLC
Series 2003-1 Transition Bonds
Statement of Outstanding Balances
as of September 30, 2008
(reflects actual payments made)

<u>Payment Date</u>	<u>Scheduled Principal Payment</u>	<u>Actual Principal Payment</u>	<u>Outstanding Balance</u>
08/21/03			\$ 500,000,000
02/15/04	\$ 7,693,695	\$ 7,693,695	\$ 492,306,305
08/15/04	\$ 14,849,544	\$ 14,849,544	\$ 477,456,761
02/15/05	\$ 20,514,532	\$ 20,514,532	\$ 456,942,229
08/15/05	\$ 15,245,936	\$ 15,245,936	\$ 441,696,293
02/15/06	\$ 20,936,802	\$ 20,936,802	\$ 420,759,491
08/15/06	\$ 15,639,784	\$ 15,639,784	\$ 405,119,707
02/15/07	\$ 21,333,128	\$ 21,333,128	\$ 383,786,579
08/15/07	\$ 16,180,886	\$ 16,180,886	\$ 367,605,693
02/15/08	\$ 22,152,926	\$ 22,152,926	\$ 345,452,767
08/15/08	\$ 16,870,815	\$ 16,870,816	\$ 328,581,951
02/15/09	\$ 22,887,407		
08/15/09	\$ 17,675,575		
02/15/10	\$ 23,697,230		
08/15/10	\$ 18,564,598		
02/15/11	\$ 24,689,884		
08/15/11	\$ 19,632,748		
02/15/12	\$ 25,779,810		
08/15/12	\$ 20,760,586		
02/15/13	\$ 26,919,355		
08/15/13	\$ 21,990,463		
02/15/14	\$ 28,222,131		
08/15/14	\$ 23,354,481		
02/15/15	\$ 29,612,944		
08/15/15	\$ 24,794,740		

Oncor Electric Delivery Transition Bond Company LLC
Series 2004-1 Transition Bonds
Statement of Outstanding Balances
as of September 30, 2008
(reflects actual payments made)

<u>Payment Date</u>	<u>Scheduled Principal Payment</u>	<u>Actual Principal Payment</u>	<u>Outstanding Balance</u>
06/07/04			\$ 789,777,000
11/15/04	\$ 9,497,122	\$ 9,497,122	\$ 780,279,878
05/15/05	\$ 24,931,710	\$ 24,931,710	\$ 755,348,168
11/15/05	\$ 29,612,875	\$ 29,612,875	\$ 725,735,293
05/15/06	\$ 26,001,686	\$ 26,001,686	\$ 699,733,607
11/15/06	\$ 30,518,702	\$ 30,518,702	\$ 669,214,905
05/15/07	\$ 27,068,916	\$ 27,068,916	\$ 642,145,989
11/15/07	\$ 31,965,647	\$ 31,965,647	\$ 610,180,342
05/15/08	\$ 28,029,697	\$ 28,029,697	\$ 582,150,645
11/15/08	\$ 32,379,952		
05/15/09	\$ 28,670,797		
11/15/09	\$ 34,010,045		
05/15/10	\$ 29,909,541		
11/15/10	\$ 35,653,605		
05/15/11	\$ 31,484,179		
11/15/11	\$ 37,278,430		
05/15/12	\$ 33,135,283		
11/15/12	\$ 38,933,171		
05/15/13	\$ 34,894,486		
11/15/13	\$ 40,843,190		
05/15/14	\$ 36,895,349		
11/15/14	\$ 42,915,221		
05/15/15	\$ 39,006,143		
11/15/15	\$ 45,007,615		
05/15/16	\$ 41,133,638		

SEMI-ANNUAL SERVICER'S CERTIFICATE

ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC,
\$500,000,000 Transition Bonds, Series 2003-1

Oncor Electric Delivery Company, as Servicer

Pursuant to Section 4.01(c)(ii) of the Series 2003-1 Transition Property Servicing Agreement dated as of August 21, 2003 (the "Agreement") between Oncor Electric Delivery Company, as Servicer and Oncor Electric Delivery Transition Bond Company LLC, as Issuer, the Servicer does hereby certify as follows:

Capitalized terms used herein have the respective meanings as set forth in the Agreement. References herein to certain sections and subsections are references to the respective sections of the Agreement.

Collection Periods: February 2008 to July 2008
Payment Date: August 15, 2008
 Today's Date: August 11, 2008

1. COLLECTIONS ALLOCABLE AND AGGREGATE AMOUNTS AVAILABLE FOR THE CURRENT PAYMENT DATE:

i.	Remittances for the February 2008 Series 2003-1 Collection Period	\$ 4,331,856.44
ii.	Remittances for the March 2008 Series 2003-1 Collection Period	\$ 4,971,641.21
iii.	Remittances for the April 2008 Series 2003-1 Collection Period	\$ 4,188,801.85
iv.	Remittances for the May 2008 Series 2003-1 Collection Period	\$ 4,279,578.17
v.	Remittances for the June 2008 Series 2003-1 Collection Period	\$ 3,582,203.70
vi.	Remittances for the July 2008 Series 2003-1 Collection Period	\$ 4,860,139.95
vii.	Remittances for the _____ Series 2003-1 Collection Period after _____ (use 6 prior periods only)	\$ _____
viii.	Remittances for the _____ Series 2003-1 Collection Period after _____ (use 6 prior periods only)	\$ _____
ix.	Remittances for the _____ Series 2003-1 Collection Period after _____ (use 6 prior periods only)	\$ _____
x.	Remittances for the _____ Series 2003-1 Collection Period	\$ _____
xi.	Remittances for the _____ Series 2003-1 Collection Period	\$ _____
xii.	Investment Earnings on Series 2003-1 Collection Account:	\$ 0.00
xiii.	Investment Earnings on Series 2003-1 Capital Subaccount	\$ 21,217.34
xiv.	Investment Earnings on Series 2003-1 Overcollateralization Subaccount	\$ 7,542.60
xv.	Investment Earnings on Series 2003-1 Reserve Subaccount:	\$ 6,692.12
xvi.	Investment Earnings on Series 2003-1 General Subaccount	\$ 126,797.88
xvii.	Series 2003-1 General Subaccount Balance (sum of i through xvi above):	<u>\$ 26,376,471.26</u>

xviii.	Series 2003-1 Reserve Subaccount Balance as of Prior Series 2003-1 Payment Date	\$ 709,133.12
xix.	Series 2003-1 Overcollateralization Subaccount Balance as of Prior Series 2003-1 Payment Date	\$ 937,498.00
xx.	Series 2003-1 Capital Subaccount Balance as of Prior Series 2003-1 Payment Date	\$ 2,500,000.00
xxi.	Series 2003-1 Collection Account Balance (sum of xvii. through xx above)	\$ 30,523,102.38

2. OUTSTANDING AMOUNTS AS OF PRIOR SERIES 2003-1 PAYMENT DATE:

i.	Class A-1 Outstanding Amount	\$ 0.00
ii.	Class A-2 Outstanding Amount	\$ 70,452,767.00
iii.	Class A-3 Outstanding Amount	\$ 130,000,000.00
iv.	Class A-4 Outstanding Amount	\$ 145,000,000.00
v.	Aggregate Outstanding Amount of All Series 2003-1 Bonds	\$ 345,452,767.00

3. REQUIRED FUNDING/PAYMENTS AS OF CURRENT PAYMENT DATE:

SERIES 2003-1 PRINCIPAL		PRINCIPAL DUE
i.	Class A-1	\$ 0.00
ii.	Class A-2	\$ 16,870,815.00
iii.	Class A-3	\$ 0.00
iv.	Class A-4	\$ 0.00
v.	For all Series 2003-1 Bonds	\$ 16,870,815.00

SERIES 2003-1		BOND INTEREST RATE	DAYS IN INTEREST PERIOD (1)	PRINCIPAL BALANCE	INTEREST DUE
vi.	Class A-1	2.26%	180/360	\$ 0.00	\$ 0.00
vii.	Class A-2	4.03%	180/360	\$ 70,452,767.00	\$ 1,419,623.26
viii.	Class A-3	4.95%	180/360	\$ 130,000,000.00	\$ 3,217,500.00
ix.	Class A-4	5.42%	180/360	\$ 145,000,000.00	\$ 3,929,500.00
x.	For All Series 2003-1 Bonds			\$ 345,452,767.00	\$ 8,566,623.26

	REQUIRED LEVEL	FUNDING REQUIRED
xi. Series 2003-1 Overcollateralization Subaccount	\$ 1,041,666.00	\$ 104,168.00
xii. Series 2003-1 Capital Subaccount	\$ 2,500,000.00	\$ 0.00

(1) On ³⁰/360 day basis for initial payment date; otherwise use one-half of annual rate.

4. ALLOCATION OF REMITTANCES AS OF CURRENT PAYMENT DATE PURSUANT TO §8.02(d) OF INDENTURE

i. Trustee Fees and Expenses (subject to cap-see 8.02(e)(i) of the Indenture):	\$ 0.00
ii. Indenture Manager Fees (subject to cap-see 8.02(e)(i) of the Indenture):	\$ 2,000.00
iii. Series 2003-1 Servicing Fee:	\$ 200,000.00
iv. Operating Expenses (subject to cap-see 8.02(e)(iii) of the Indenture):	
Trust Operating Expense:	\$ 0.00
Trust Accounting Expense:	\$ 0.00
Rating Agency Fees (already paid by Servicer):	\$ 0.00
Administration Fee:	\$ 25,000.00
Audit Fee (already paid by Administrator)	\$ 29,923.00
Total Fees and Expenses (i. through iv.)	<u>\$ 256,923.00</u>

v. Semi-Annual Interest -including any past-due for prior period(s)

	<u>Per \$1,000 of Original Aggregate PRINCIPAL</u>
SERIES 2003-1	
1. Class A-1 Interest Payment	\$ 0.00
2. Class A-2 Interest Payment	\$ 1,419,623.26
3. Class A-3 Interest Payment	\$ 3,217,500.00
4. Class A-4 Interest Payment	\$ 3,929,500.00

vi. Principal Due and Payable as a Result of Event of Default or on Final Maturity Date

	<u>Per \$1,000 of Original Aggregate PRINCIPAL</u>
SERIES 2003-1	
1. Class A-1 Principal Payment	\$ 0.00
2. Class A-2 Principal Payment	\$ 0.00
3. Class A-3 Principal Payment	\$ 0.00
4. Class A-4 Principal Payment	\$ 0.00

vii. Semi-Annual Principal

	<u>Per \$1,000 of Original Aggregate PRINCIPAL</u>
SERIES 2003-1	
1. Class A-1 Principal Payment	\$ 0.00
2. Class A-2 Principal Payment	\$ 16,870,815.00
3. Class A-3 Principal Payment	\$ 0.00
4. Class A-4 Principal Payment	\$ 0.00

4. ALLOCATION OF REMITTANCES AS OF CURRENT PAYMENT DATE PURSUANT TO §8.02(d) OF INDENTURE (CONTINUED)

viii.	Funding of Series 2003-1 Capital Subaccount (to required level)	\$	0.00
ix.	Funding of Series 2003-1 Overcollateralization Subaccount (to required level)	\$	104,168.00
x.	Investment Earnings on Series 2003-1 Capital Subaccount Released to Issuer	\$	21,217.34
xi.	Deposit to Series 2003-1 Reserve Subaccount	\$	556,724.66
xii.	Released to Issuer upon Retirement of all Bonds	\$	0.00
xiii.	AGGREGATE REMITTANCES AS OF CURRENT PAYMENT DATE	\$	<u>22,446,971.26</u>

5. OUTSTANDING AMOUNT AND SERIES 2003-1 COLLECTION ACCOUNT BALANCE AS OF CURRENT PAYMENT DATE (AFTER GIVING EFFECT TO PAYMENTS TO BE MADE ON SUCH PAYMENT DATE):

SERIES 2003-1

i.	Class A-1 Outstanding Amount	\$	0.00
ii.	Class A-2 Outstanding Amount	\$	53,581,952.00
iii.	Class A-3 Outstanding Amount	\$	130,000,000.00
iv.	Class A-4 Outstanding Amount	\$	145,000,000.00
v.	AGGREGATE OUTSTANDING AMOUNT OF ALL SERIES 2003-1 BONDS	\$	<u>328,581,952.00</u>
vi.	Series 2003-1 Reserve Subaccount Balance	\$	1,265,857.78
vii.	Series 2003-1 Overcollateralization Subaccount Balance	\$	1,041,666.00
viii.	Series 2003-1 Capital Subaccount Balance	\$	<u>2,500,000.00</u>
ix.	AGGREGATE SERIES 2003-1 COLLECTION ACCOUNT BALANCE	\$	<u>4,807,523.78</u>

6. SUBACCOUNT WITHDRAWALS AS OF CURRENT PAYMENT DATE (IF APPLICABLE, PURSUANT TO SECTION 8.02(e) OF INDENTURE):

i.	Series 2003-1 Reserve Subaccount	\$	0.00
ii.	Series 2003-1 Overcollateralization Subaccount	\$	0.00
iii.	Series 2003-1 Capital Subaccount	\$	<u>0.00</u>
iv.	TOTAL WITHDRAWALS	\$	<u>0.00</u>

7. SHORTFALLS IN INTEREST AND PRINCIPAL PAYMENTS AS OF CURRENT PAYMENT DATE;

i. Semi-annual Interest

SERIES 2003-1

1. Class A-1 Interest Payment	\$ 0.00
2. Class A-2 Interest Payment	\$ 0.00
3. Class A-3 Interest Payment	\$ 0.00
4. Class A-4 Interest Payment	\$ 0.00

ii. Semi-annual Principal

SERIES 2003-1

1. Class A-1 Principal Payment	\$ 0.00
2. Class A-2 Principal Payment	\$ 0.00
3. Class A-3 Principal Payment	\$ 0.00
4. Class A-4 Principal Payment	\$ 0.00

8. SHORTFALLS IN REQUIRED SERIES 2003-1 SUBACCOUNT LEVELS AS OF CURRENT PAYMENT DATE:

i. Series 2003-1 Overcollateralization Subaccount	\$ 0.00
ii. Series 2003-1 Capital Subaccount	\$ 0.00

IN WITNESS HEREOF, the undersigned has duly executed and delivered this Semi-Annual Servicer's Certificate this 11th day of August, 2008.

ONCOR ELECTRIC DELIVERY COMPANY,
as Servicer,

By: /s/ John M. Casey
Name: John M. Casey
Title: Treasurer