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

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**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, 2009**

— OR —

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

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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)

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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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No  (The registrant is not currently required to submit such files.)

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 October 29, 2009, 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.**

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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.

<b>2003 Bonds</b>	Refers collectively to the four series of securitization bonds issued in August 2003. One of these series was retired at maturity in 2007.
<b>2004 Bonds</b>	Refers collectively to the three series of securitization bonds issued in June 2004.
<b>2008 Form 10-K</b>	Oncor Electric Delivery Transition Bond Company LLC's Annual Report on Form 10-K for the year ended December 31, 2008
<b>Company</b>	Oncor Electric Delivery Transition Bond Company LLC, a wholly-owned, bankruptcy-remote financing subsidiary of Oncor
<b>EFC Holdings</b>	Refers to Energy Future Competitive Holdings Company, a direct subsidiary of EFH Corp. and the direct parent of TCEH.
<b>EFH Corp.</b>	Refers to Energy Future Holdings Corp., a holding company, and/or its subsidiaries, depending on context.
<b>ERCOT</b>	Electric Reliability Council of Texas, the independent system operator and the regional coordinator of the various electricity systems within Texas
<b>Financing Order</b>	The financing order issued by the PUCT on August 5, 2002 to Oncor, its successors and assignees that provide transmission and distribution service
<b>GAAP</b>	generally accepted accounting principles
<b>Indenture</b>	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
<b>Indenture Trustee</b>	The Bank of New York Mellon, a New York banking corporation
<b>Intermediate Holding</b>	Refers to Energy Future Intermediate Holding Company LLC, a direct, wholly-owned subsidiary of EFH Corp. and the direct parent of Oncor Holdings.
<b>Luminant</b>	Refers to 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.
<b>Oncor</b>	Refers to Oncor Electric Delivery Company LLC, a direct, majority-owned subsidiary of Oncor Holdings, and/or its wholly-owned consolidated bankruptcy-remote financing subsidiary, Oncor Electric Delivery Transition Bond Company LLC, depending on context, that is engaged in regulated electricity transmission and distribution activities.
<b>Oncor Holdings</b>	Refers to Oncor Electric Delivery Holdings Company LLC, a direct, wholly-owned subsidiary of Intermediate Holding and the direct majority owner of Oncor.
<b>Oncor Ring-Fenced Entities</b>	Refers to Oncor Holdings and its direct and indirect subsidiaries.

<b>PUCT</b>	Public Utility Commission of Texas
<b>REP</b>	retail electric provider
<b>SEC</b>	US Securities and Exchange Commission
<b>Sponsor Group</b>	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. (See Texas Holdings below.)
<b>TCEH</b>	Refers to Texas Competitive Electric Holdings Company LLC, a direct, wholly-owned subsidiary of EFC Holdings and an indirect subsidiary of EFH Corp., and/or its subsidiaries, depending on context.
<b>Texas Holdings</b>	Refers to Texas Energy Future Holdings Limited Partnership, a limited partnership controlled by the Sponsor Group that owns substantially all of the common stock of EFH Corp.
<b>Texas Holdings Group</b>	Refers to Texas Holdings and its direct and indirect subsidiaries other than the Oncor Ring-Fenced Entities.
<b>Transition Bonds</b>	Refers collectively to the 2003 Bonds and the 2004 Bonds.
<b>TXU Energy</b>	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.
<b>US</b>	United States of America

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

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

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	(thousands of dollars)			
Operating revenues:				
Transition charge revenue .....	\$ 44,111	\$ 40,107	\$113,077	\$108,241
Investment income .....	<u>—</u>	<u>216</u>	<u>51</u>	<u>796</u>
Total operating revenues.....	<u>44,111</u>	<u>40,323</u>	<u>113,128</u>	<u>109,037</u>
Operating expenses:				
Interest expense .....	10,374	11,316	31,795	34,600
Amortization of transition property.....	27,348	26,129	76,332	73,438
Over recovery of transition charges .....	6,181	2,615	4,360	126
Servicing fees, administrative and general expenses .....	<u>208</u>	<u>208</u>	<u>623</u>	<u>623</u>
Total operating expenses .....	<u>44,111</u>	<u>40,268</u>	<u>113,110</u>	<u>108,787</u>
Net income .....	<u>\$ —</u>	<u>\$ 55</u>	<u>\$ 18</u>	<u>\$ 250</u>

See Notes to Financial Statements.

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

	<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>
	(thousands of dollars)	
Cash flows — operating activities:		
Net income .....	\$ 18	\$ 250
Adjustments to reconcile net income to cash provided by operating activities:		
Amortization of transition property .....	76,332	73,438
Over recovery of transition charges .....	4,360	126
Changes in operating assets .....	(3,757)	(1,227)
Changes in operating liabilities .....	<u>3,525</u>	<u>2,284</u>
Cash provided by operating activities .....	<u>80,478</u>	<u>74,871</u>
Cash flows — financing activities:		
Repayments of debt .....	(69,234)	(67,053)
Distributions paid to parent .....	<u>(18)</u>	<u>(467)</u>
Cash used in financing activities .....	<u>(69,252)</u>	<u>(67,520)</u>
Cash flows — investing activities:		
Change in restricted funds .....	<u>(11,226)</u>	<u>(7,547)</u>
Cash used in investing activities .....	<u>(11,226)</u>	<u>(7,547)</u>
Net change in cash and cash equivalents .....	—	(196)
Cash and cash equivalents — beginning balance .....	<u>1</u>	<u>197</u>
Cash and cash equivalents — ending balance .....	<u>\$ 1</u>	<u>\$ 1</u>
Supplemental cash flow disclosures:		
Cash interest payments .....	\$ 29,659	\$ 32,309

See Notes to Financial Statements.

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

	September 30, 2009	December 31, 2008
	(thousands of dollars)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 1	\$ 1
Restricted cash (Note 5).....	63,551	50,698
Accounts receivable – affiliate (Note 2).....	3	—
Transition charge receivable:		
Affiliates .....	10,653	8,239
All other .....	12,751	11,411
Total current assets .....	86,959	70,349
Investments:		
Restricted funds held in trust (Note 5) .....	14,831	16,458
Transition property, net of accumulated amortization of \$512,090 and \$435,758 .....	777,687	854,019
Total assets .....	\$ 879,477	\$ 940,826
<b>LIABILITIES AND MEMBER'S INTEREST</b>		
Current liabilities:		
Long-term debt due currently .....	\$ 106,181	\$ 103,244
Accounts payable – affiliate .....	217	265
Accrued interest .....	11,723	9,587
Other current liabilities .....	10,050	8,613
Total current liabilities .....	128,171	121,709
Transition bonds (Note 3) .....	702,938	775,109
Regulatory liability .....	31,945	27,585
Total liabilities .....	863,054	924,403
Member's interest (Note 4) .....	16,423	16,423
Total liabilities and member's interest .....	\$ 879,477	\$ 940,826

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 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 majority-owned (approximately 80%) subsidiary of Oncor Holdings, which is a direct, wholly-owned subsidiary of Intermediate Holding, a direct, wholly-owned subsidiary of EFH Corp. See "Glossary" for definition of terms and abbreviations.

EFH Corp. and Oncor have taken various "ring-fencing" measures to enhance Oncor's credit quality. 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. Accordingly, Oncor's operations are conducted, and its cash flows managed, independently from the Texas Holdings Group. Additional measures to enhance Oncor's credit quality are discussed in the 2008 Form 10-K.

***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 the 2008 Form 10-K. 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 2008 Form 10-K. The results of operations for an interim period may not give a true indication of results for a full year. All dollar amounts in the financial statements and tables in the notes are stated in thousands of US dollars unless otherwise indicated. Subsequent events have been evaluated through October 29, 2009, the date these condensed financial statements were issued.

***Use of Estimates***

Preparation of the financial statements requires 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.

### ***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 on the payment date 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. In April 2009, Oncor filed an interim true-up with the PUCT designed to restore the over-collateralization and capital subaccounts to their required levels. The true-up was approved by the PUCT and became effective in May 2009.

### ***Changes in Accounting Standards***

In June 2009, the Financial Accounting Standards Board (FASB) issued “The *FASB Accounting Standards Codification*™ and the Hierarchy of Generally Accepted Accounting Principles,” which establishes the *FASB Accounting Standards Codification*™ (Codification) as the source of authoritative US GAAP recognized by the FASB to be applied to nongovernmental entities. The Codification was effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of the Codification did not affect reported results of operations, financial condition or cash flows. The Company implemented the Codification in this Form 10-Q.

In May 2009, the FASB issued new guidance regarding subsequent events that requires disclosure of the date through which the Company has evaluated subsequent events related to the financial statements being issued and the basis for that date (either the date the financial statements were issued or the date they were available to be issued). This guidance was effective for interim and annual reporting periods ending after June 15, 2009. The adoption of this guidance as of April 1, 2009 did not affect reported results of operations, financial condition or cash flows, and the required disclosure is provided above in “Basis of Presentation.”

In April 2009, the FASB issued new guidance requiring the disclosure of summarized financial information about the fair value of financial instruments for interim reporting. This new guidance was effective for interim reporting periods ending after June 15, 2009, and the Company adopted it as of April 1, 2009. As this new guidance provides only disclosure requirements, the adoption did not have any effect on reported results of operations, financial condition or cash flows. The disclosures are provided in Note 3.

## **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 \$207 thousand for both the three months ended September 30, 2009 and 2008 and \$620 thousand for both the nine months ended September 30, 2009 and 2008.

Transition charges billed to the REP subsidiaries of TCEH, which are included in operating revenues, totaled \$18,854 thousand and \$16,994 thousand for the three months ended September 30, 2009 and 2008, respectively, and \$46,756 thousand and \$45,452 thousand for the nine months ended September 30, 2009 and 2008, respectively. The balance of the transition charge receivable due from the REP subsidiaries of TCEH totaled \$10,653 thousand at September 30, 2009 and \$8,239 thousand at December 31, 2008.

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. Amounts receivable from Oncor totaled \$3 thousand at September 30, 2009 and zero at December 31, 2008. 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, 2009 and December 31, 2008, the Company's long-term debt consisted of the following:

	<b>September 30, 2009</b>	<b>December 31, 2008</b>
4.030% Fixed Series 2003 Bonds due in semi-annual installments through February 15, 2010.....	\$ 13,019	\$ 53,582
4.950% Fixed Series 2003 Bonds due in semi-annual installments through February 15, 2013.....	130,000	130,000
5.420% Fixed Series 2003 Bonds due in semi-annual installments through August 15, 2015.....	145,000	145,000
3.520% Fixed Series 2004 Bonds due in semi-annual installments through November 15, 2009.....	10,323	38,994
4.810% Fixed Series 2004 Bonds due in semi-annual installments through November 15, 2012.....	221,000	221,000
5.290% Fixed Series 2004 Bonds due in semi-annual installments through May 15, 2016.....	<u>289,777</u>	<u>289,777</u>
Total.....	809,119	878,353
Less amount due currently.....	<u>(106,181)</u>	<u>(103,244)</u>
Total long-term debt.....	<u>\$ 702,938</u>	<u>\$ 775,109</u>

The transition property sold to the Company, as well as restricted cash of \$4,831 thousand in the capital subaccount at September 30, 2009, 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.

The fair value of the outstanding Transition Bonds was approximately \$867,379 thousand and \$886,823 thousand as of September 30, 2009 and December 31, 2008, respectively. The fair values are estimated based upon market value as determined by quoted market prices, representing Level 1 valuations under generally accepted fair value guidance.

#### *Covenants*

The terms of the Indenture contain various covenants, including payment covenants, covenants to file certain information with the SEC and covenants to deliver certain information to the Indenture Trustee. As of September 30, 2009, 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 zero and \$18 thousand for the three and nine months ended September 30, 2009, respectively. 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, 2009:

	<b>Total Member's Interest</b>
Balance at December 31, 2008.....	\$ 16,423
Distributions paid to parent.....	(18)
Net income.....	<u>18</u>
Balance at September 30, 2009.....	<u>\$ 16,423</u>

#### 5. RESTRICTED CASH

	<b>Balance Sheet Classification</b>			
	<b>At September 30, 2009</b>		<b>At December 31, 2008</b>	
	<b>Current Assets</b>	<b>Investment</b>	<b>Current Assets</b>	<b>Investment</b>
Collections related to Transition Bonds used only to service debt and pay expenses (includes over-collateralization subaccount of \$1,011, —, \$1,521 and —).....	\$63,551	\$ —	\$50,698	\$ —
Funds for payment of fees associated with Transition Bonds (Indenture Trustee reserve account).....	—	10,000	—	10,000
Reserve for shortfalls of Transition Bond charges (capital subaccount).....	—	<u>4,831</u>	—	<u>6,458</u>
Total .....	<u>\$63,551</u>	<u>\$14,831</u>	<u>\$50,698</u>	<u>\$16,458</u>

**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, 2009, and the related condensed statements of income for the three-month and nine-month periods ended September 30, 2009 and 2008, and of cash flows for the nine-month periods ended September 30, 2009 and 2008. 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, 2008, 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 2, 2009, 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, 2008 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  
October 29, 2009

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

The following discussion and analysis of the Company's financial condition and results of operations for the three and nine months ended September 30, 2009 and 2008 should be read in conjunction with the consolidated financial statements and the notes to those statements.

The information required hereunder for the Company is in its reduced format as allowed for under General Instruction (H) (1) of Form 10-Q. All dollar amounts in the tables in the following discussion and analysis are stated in thousands of US dollars unless otherwise indicated.

### **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 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 majority-owned (approximately 80%) subsidiary of Oncor Holdings, which is a direct, wholly-owned subsidiary of Intermediate Holding, a direct, wholly-owned subsidiary of EFH Corp. See Note 1 to the Financial Statements for discussion of certain "ring-fencing" measures taken by EFH Corp. and Oncor to enhance Oncor's credit quality.

### **RESULTS OF OPERATIONS – *Three and Nine Months Ended September 30, 2009 Compared to Three and Nine Months Ended September 30, 2008***

Operating revenue increased \$3,788 thousand, or 9%, to \$44,111 thousand for the three months ended September 30, 2009 and increased \$4,091 thousand, or 4%, to \$113,128 thousand for the nine months ended September 30, 2009 as described below:

- Transition charge revenues increased \$4,004 thousand, or 10%, to \$44,111 thousand for the three months ended September 30, 2009 and increased \$4,836 thousand, or 4%, to \$113,077 thousand for the nine months ended September 30, 2009 driven by an increase in the transition charge tariff reflecting true-up adjustments (see Note 1 to Financial Statements), partially offset by a decrease in electricity volumes delivered by Oncor reflecting the effects of milder weather and the weaker economy.
- Investment income decreased \$216 thousand to less than one thousand for the three months ended September 30, 2009 and decreased \$745 thousand, or 94%, to \$51 thousand for the nine months ended September 30, 2009 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 \$942 thousand, or 8%, to \$10,374 thousand for the three months ended September 30, 2009 and decreased \$2,805 thousand, or 8%, to \$31,795 thousand for the nine months ended September 30, 2009 reflecting lower average debt balances due to scheduled principal payments on the Transition Bonds.

Amortization of transition property increased \$1,219 thousand, or 5%, to \$27,348 thousand for the three months ended September 30, 2009 and \$2,894 thousand, or 4%, to \$76,332 thousand for the nine months ended September 30, 2009 reflecting increased principal payments on the Transition Bonds.

The Company recorded an increase to expense for the over-recovery of transition charges of \$6,181 thousand and \$2,615 thousand for the three months ended September 30, 2009 and 2008, respectively, and \$4,360 thousand and \$126 thousand for the nine months ended September 30, 2009 and 2008, respectively. See discussion under "Over/Under-Recovery of Transition Charges" in Note 1 to the Financial Statements.

Net income totaled zero and \$55 thousand for the three months ended September 30, 2009 and 2008, respectively, and \$18 thousand and \$250 thousand for the nine months ended September 30, 2009 and 2008, 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 increased \$5,607 thousand, or 7%, to \$80,478 thousand for the nine months ended September 30, 2009 as compared to the nine months ended September 30, 2008 driven by:

- higher transition charge revenues of \$4,836 thousand partially offset by a relative increase in transition charge receivables of \$2,527 thousand, reflecting true-up adjustments,
- a \$2,650 thousand decrease in cash interest payments as a result of principal payments on the Transition Bonds, and
- an increase of \$1,396 thousand in customer deposits received (reported in other current liabilities on the balance sheet),

partially offset by a decrease of \$745 thousand in investment income due primarily to lower interest rates.

Financing activities used cash flows of \$69,252 thousand and \$67,520 thousand for the nine months ended September 30, 2009 and 2008, 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 \$11,226 thousand and \$7,547 thousand for the nine months ended September 30, 2009 and 2008, respectively. The 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 August 2009 and May 2009 for the 2003 Bonds and the 2004 Bonds, respectively. An interim true-up was filed in April 2009 for the 2003 Bonds and was approved by the PUCT and became effective in May 2009. 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, 2009, restricted cash included the balance in the capital subaccount of \$2,500 thousand compared to the required level of \$2,500 thousand for the 2003 Bonds and \$2,331 thousand compared to the required level of \$3,949 thousand for the 2004 Bonds. Additionally, as of September 30, 2009, the balance in the over-collateralization subaccount for the 2003 Bonds was \$1,011 thousand, compared to the required level of \$1,250 thousand, and for the 2004 Bonds was zero, compared to the required level of \$1,645 thousand. Required levels are determined as of the respective scheduled payment dates. Amounts reported above are as of the most recent payment dates. There are no penalties as a result of being above or below the required levels in the capital and over-collateralization subaccounts. The interim true-up adjustment to the 2003 Bonds discussed above was driven by a decrease in electricity volumes delivered and designed to restore the capital and over-collateralization subaccounts to their required levels. The annual true up for the 2004 Bonds, filed in May 2009, was also designed to restore the capital and over-collateralization subaccounts to required levels. Any future shortfalls in the subaccounts for either series of Transition Bonds would be addressed in future true-up filings.

## 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.

**Covenants and Cross Default Provisions** — The terms of the Indenture contain various covenants, including payment covenants, covenants to file certain information with the SEC and covenants to deliver certain information to the Indenture Trustee. As of September 30, 2009, the Company was in compliance with such covenants.

Certain financing arrangements contain provisions that may result in an event of default if there were a failure under other financing arrangements to meet payment terms or to observe other covenants that could or does result in an acceleration of payments due. Such provisions are referred to as "cross default" provisions. Under the Indenture, each of the 2003 Bonds and 2004 Bonds are cross-defaulted to each other. The Indenture does not contain any cross default provisions in respect of any indebtedness of Oncor as servicer.

## CHANGES IN ACCOUNTING STANDARDS

See Note 1 to Financial Statements for a discussion of changes in accounting standards.

## 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 2008 Form 10-K 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, including the current recessionary environment;
- 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 there is no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible to predict all of them, nor can the Company 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 4. CONTROLS AND PROCEDURES**

An evaluation was performed under the supervision and with the participation of 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 included in this quarterly report. Based on the evaluation performed, 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 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 Oncor's website at [www.oncor.com](http://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 in Item 6.

<b>Required Item</b>	<b>Filed as Exhibit or Furnished on Website</b>
Monthly Servicer Report (Series 2004-1 for July 2009).....	Exhibit 99(a)(1)
Monthly Servicer Report (Series 2004-1 for August 2009).....	Exhibit 99(a)(2)
Monthly Servicer Report (Series 2004-1 for September 2009) .....	Exhibit 99(a)(3)
Monthly Servicer Report (Series 2003-1 for July 2009).....	Exhibit 99(a)(4)
Monthly Servicer Report (Series 2003-1 for August 2009).....	Exhibit 99(a)(5)
Monthly Servicer Report (Series 2003-1 for September 2009) .....	Exhibit 99(a)(6)
Statement of Collection Account Balances as of September 30, 2009 .....	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 2009) .....	Exhibit 99(f)

## Item 1A. RISK FACTORS

There have been no material changes in risk factors since December 31, 2008 as disclosed in the 2008 Form 10-K except for information disclosed elsewhere in this Form 10-Q that provides factual updates to risk factors contained in the 2008 Form 10-K.

## ITEM 6. EXHIBITS

### (a) Exhibits:

#### Exhibits

#### (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 2009)
- 99(a)(2) — Monthly Servicer Report (Series 2004-1 for August 2009)
- 99(a)(3) — Monthly Servicer Report (Series 2004-1 for September 2009)
- 99(a)(4) — Monthly Servicer Report (Series 2003-1 for July 2009)
- 99(a)(5) — Monthly Servicer Report (Series 2003-1 for August 2009)
- 99(a)(6) — Monthly Servicer Report (Series 2003-1 for September 2009)
- 99(b) — Statement of Collection Account Balances as of September 30, 2009
- 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 filed August 15, 2009.
- 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 2009)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ONCOR ELECTRIC DELIVERY TRANSITION BOND COMPANY LLC**

By           /s/ David M. Davis            
David M. Davis  
Vice President and Chief Financial  
Officer

Date: October 29, 2009