

Control Number: 50734



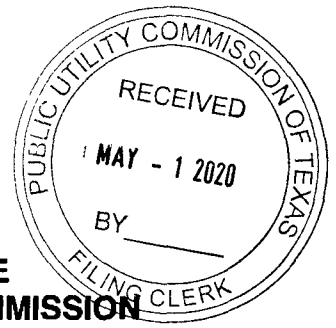
Item Number: 17

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PUC DOCKET NO. 50734

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

BEFORE THE  
PUBLIC UTILITY COMMISSION  
OF TEXAS



**RESPONSE OF ONCOR ELECTRIC DELIVERY COMPANY LLC  
ALLIANCE FOR RETAIL MARKETS'  
FIRST REQUEST FOR INFORMATION**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

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

**I.  
Written Responses**

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


**II.  
Inspections**

In those instances where materials are to be made available for inspection by  
request or in lieu of a written response, the attached response will so state. For those  
materials that a response indicates may be inspected at the Austin voluminous room,  
please call at least 24 hours in advance for an appointment in order to assure that there  
is sufficient space and someone is available to accommodate your inspection. To make  
an appointment at the Austin voluminous room, located at 1005 Congress, Suite 700,  
Austin, Texas, or to review those materials that a response indicates may be inspected  
at their usual repository, please call Teri Smart at 214-486-4832. Inspections will be

scheduled so as to accommodate all such requests with as little inconvenience to the requesting party and to company operations as possible.

Respectfully submitted,

**ONCOR ELECTRIC DELIVERY COMPANY LLC**

By: 

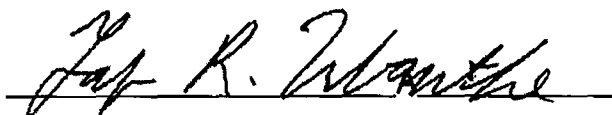
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**ATTORNEY FOR ONCOR ELECTRIC  
DELIVERY COMPANY LLC**

**CERTIFICATE OF SERVICE**

It is hereby certified that a copy of the foregoing has been served on all parties of record via email, on this the 30<sup>th</sup> day of April, 2020, in accordance with the Commission's Order Suspending Rules issued on March 16, 2020 in Project No. 50664.



**Request**

Please refer to Finding of Fact No. 36 in the Commission's final Order issued on October 13, 2017 in Docket No. 46957 in which the Commission excluded six neighborhood reliability lithium-ion batteries from its prudence determination. The distribution cost recovery factor ("DCRF") baseline approved in Docket No. 46957 included Oncor's investment in the six neighborhood reliability lithium-ion batteries.

- a. Please state the amount of net distribution invested capital for FERC Account 363 (Storage Battery Equipment) included in the DCRF baseline approved in Docket No. 46957. In your response, please also state the distribution plant in service and accumulated depreciation amounts for the account separately. Please reference the schedule(s) in Oncor's application in this docket where this net distribution invested capital amount is reflected.

**Response**

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

The net distribution invested capital for FERC Account 363—Storage battery equipment included in the DCRF baseline approved in Docket No. 46957 totals \$911,475, which reflects the \$1,187,852 original plant cost shown on Schedule B-1 of Oncor's 2020 DCRF update application (see column labeled "Balance approved in Docket No. 46957, 35% FIT Rate," line 8) less the \$276,377 balance of accumulated depreciation shown on Schedule B-5 of the Company's 2020 DCRF update application (see column labeled "Balance approved in Docket No. 46957, 35% FIT Rate," line 8).

**Request**

Please refer to Finding of Fact No. 36 in the Commission's final Order issued on October 13, 2017 in Docket No. 46957 in which the Commission excluded six neighborhood reliability lithium-ion batteries from its prudence determination. The distribution cost recovery factor ("DCRF") baseline approved in Docket No. 46957 included Oncor's investment in the six neighborhood reliability lithium-ion batteries.

- b. Please confirm or deny that the six neighborhood reliability lithium-ion batteries comprised all of the distribution capital investment in FERC Account 363 that was included in the DCRF baseline approved in Docket No. 46957.

**Response**

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

Confirmed.

**Request**

Please refer to Finding of Fact No. 36 in the Commission's final Order issued on October 13, 2017 in Docket No. 46957 in which the Commission excluded six neighborhood reliability lithium-ion batteries from its prudence determination. The distribution cost recovery factor ("DCRF") baseline approved in Docket No. 46957 included Oncor's investment in the six neighborhood reliability lithium-ion batteries.

- c. Please state the restated amount of net distribution invested capital for FERC Account 363 (Storage Battery Equipment) included in the modified DCRF baseline approved in Docket No. 48325 to reflect the impact of the lower federal income tax rate established by the Tax Cuts and Jobs Act of 2017. In your response, please also state the distribution plant in service and accumulated depreciation amounts for the account separately. Please reference the schedule(s) in Oncor's application in this docket where this net distribution invested capital amount is reflected.

**Response**

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

The net distribution invested capital for FERC Account 363—Storage battery equipment included in the DCRF baseline approved in Docket No. 48325 totals \$911,475, which reflects the \$1,187,852 original plant cost shown on Schedule B-1 of Oncor's 2020 DCRF update application (see column labeled "Restated for 21% FIT Rate & Excess DFIT Balance in Docket No. 48325\* (1)," line 8) less the \$276,377 balance of accumulated depreciation shown on Schedule B-5 of the Company's 2020 DCRF update application (see column labeled "Restated for 21% FIT Rate & Excess DFIT Balance in Docket No. 48325\* (1)," line 8).

**Request**

Please refer to Finding of Fact No. 36 in the Commission's final Order issued on October 13, 2017 in Docket No. 46957 in which the Commission excluded six neighborhood reliability lithium-ion batteries from its prudence determination. The distribution cost recovery factor ("DCRF") baseline approved in Docket No. 46957 included Oncor's investment in the six neighborhood reliability lithium-ion batteries.

- d. Please state the depreciation rate for the distribution invested capital booked to FERC Account 363 (Storage Battery Equipment) and the estimated date upon which the six neighborhood reliability lithium-ion batteries will fully depreciate.

**Response**

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

As shown on workpaper WP/Schedule E-1/2 (see Bates Page 1392 of Oncor's 2020 DCRF update application), the current depreciation rate for FERC Account 363—Storage battery equipment is 9.42% (see column labeled "Agreed Upon Annual Accrual %"). Presently, it is estimated that the current investment in storage battery equipment will be fully depreciated in May 2024.

**Request**

Please refer to Finding of Fact No. 36 in the Commission's final Order issued on October 13, 2017 in Docket No. 46957 in which the Commission excluded six neighborhood reliability lithium-ion batteries from its prudence determination. The distribution cost recovery factor ("DCRF") baseline approved in Docket No. 46957 included Oncor's investment in the six neighborhood reliability lithium-ion batteries.

- e. In this docket, does Oncor seek to include any new distribution capital investment booked to FERC Account 363 during the period January 1, 2017 through December 31, 2019 in its updated DCRF rates? If so, for each distribution capital investment booked to the account, please:
- i. Describe the investment and its distribution-related purpose;
  - ii. State the installation date and the date of service, if the two dates differ; and
  - iii. State the amount of plant in service and any accumulated depreciation amount relating to the asset.

**Response**

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

Yes. Oncor's 2020 DCRF update application reflects an additional \$49 of investment in FERC Account 363—Storage battery equipment.

- i. This \$49 of additional investment is related to a trailing transportation charge associated with the original installation of the batteries.
- ii. The batteries were installed in 2016 and this trailing transportation charge of \$49 was recorded in February 2017.
- iii. This \$49 of additional investment, together with the original \$1,187,852 investment reflected in the DCRF baseline approved in Docket No. 46957 and the restated DCRF baseline approved in Docket No. 48325, yields a total investment in FERC Account 363 of \$1,187,901 at year-end 2019. The accumulated provision for depreciation related to the investment totals \$696,489 at year-end 2019, which reflects the \$276,377 balance in the DCRF baseline plus depreciation charges of \$152,759 in 2017, \$136,690 in 2018, and \$130,663 in 2019. Thus, the net book value of the investment in FERC Account 363 at year-end 2019 is \$491,412—a reduction of \$420,063 from the \$911,475 DCRF baseline level shown in Oncor's response to ARM RFI Set No.1, Question Nos. 1-01(a) and 1-01(c).