

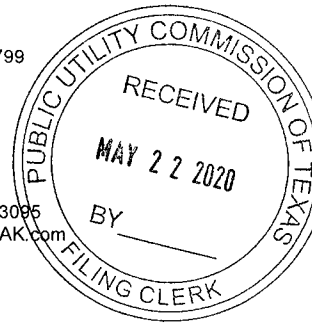
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May 22, 2020

Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, TX 78701

Re: *Application of Oncor Electric Delivery Company LLC for Approval to Amend its
Distribution Cost Recovery Factor, Docket No. 50734*

Dear Clerk:

Enclosed for filing is Oncor Electric Delivery Company LLC's errata to the direct testimonies of W. Alan Ledbetter and Ellen E. Buck filed on April 3, 2020. Please use the attached, corrected testimony pages in place of the as-filed versions.

Thank you for your attention to this matter.

Respectfully submitted,

Tab R. Urbantke
Counsel for Oncor Electric Delivery Company LLC

cc: All parties of record

26

Direct Testimony Errata

W. Alan Ledbetter

1 costs, Oncor's 2020 DCRF update application reflects these costs in its
2 calculation of distribution invested capital.

3 Q. PLEASE DESCRIBE ONCOR'S INVESTMENT IN METERS REFLECTED
4 IN THIS DCRF UPDATE APPLICATION.

5 A. During the three years since Oncor's last base-rate case proceeding (*i.e.*,
6 calendar years 2017-2019), Oncor purchased approximately 1.2 million
7 meters. As of year-end 2019, Oncor's property records indicate that
8 194,870 meters (approximately 4.9% of a total meter count of almost four
9 million) were held in reserve in a "ready to serve" condition.

10 Q. PLEASE DESCRIBE ONCOR'S INVESTMENT IN TRANSFORMERS AND
11 CAPACITORS REFLECTED IN THIS DCRF UPDATE APPLICATION.

12 A. During the years 2017-2019, Oncor purchased a total of ^{95,246}97,824
13 transformers, capacitors, voltage regulators, and network protectors. At
14 December 31, 2019, the Company's transformer system reserves totaled
15 ^{16,212}15,941 units, including ^{1,211}886 capacitors.

16 Q. ARE THE COSTS OF DISTRIBUTION-RELATED ELECTRIC PLANT
17 PROPERLY RECORDED IN ONCOR'S FINANCIAL AND ACCOUNTING
18 SYSTEMS?

19 A. Yes. The components of Oncor's distribution plant in service as of the end
20 of the December 31, 2019 DCRF update period are recorded at cost in
21 accordance with FERC USOA guidelines and US GAAP. Furthermore, the
22 amounts are recorded in a manner that is consistent with Oncor's
23 accounting practices and policies that existed during the Company's last
24 base-rate proceeding, Docket No. 46957.

25 Q. WERE THERE ANY SIGNIFICANT ADJUSTMENTS RELATING TO
26 ONCOR'S ACCOUNTING PRACTICES AND POLICIES FOR CAPITAL
27 SPARES DURING 2019?

28 A. Yes. Due to limitations in the Partner work authorization tool utilized to
29 manage the distribution assets acquired from Sharyland Utilities, L.P.
30 ("Sharyland") in the November 9, 2017 asset exchange approved in Docket

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Direct Testimony Errata

Ellen E. Buck

1 capacity and availability of raw materials and specific components required
2 to build the transformer at the specified voltage, rating, and configuration
3 requested.

4 Having transformers available for installation is imperative to Oncor's
5 ability to provide reliable service with minimal interruption to electric
6 customers. Given the cost and the lead time for this type of distribution
7 asset, as well as the large variability in types of transformers on Oncor's
8 system, it is not feasible from either an operational perspective or a
9 reliability perspective for Oncor to wait to purchase the asset until Oncor
10 has an immediate need to install and energize it; doing so would
11 significantly prolong new customer installation and impair Oncor's ability to
12 respond to unexpected, emergency needs as they arise.

13 For these reasons, Oncor maintains a working reserve supply of
14 distribution transformers. During 2019, Oncor purchased ^{31,317}~~34,214~~
15 transformer units, ^{91.8%}~~87.3%~~ of these units were subsequently installed in 2019.
16 The remainder were held in reserve to meet emergency and customer
17 needs. On average, Oncor installs more than 90 transformers a day. This
18 number could be substantially higher during storms and other times when
19 the need for replacements on the system is high. As I explain further below,
20 all of these assets, whether energized or held in working reserve, were in
21 service from an operational perspective and used and useful in connection
22 with Oncor's service to the public.

23 Q. IN ADDITION TO DISTRIBUTION TRANSFORMERS, ARE THERE
24 OTHER TYPES OF DISTRIBUTION ASSETS WITH LONG LEAD TIMES?

25 A. Yes, the average lead time for capacitors exceeds the lead time for some
26 transformers. The lead time for capacitors is 17 weeks. In calendar year
27 2019, Oncor purchased ^{3,666}~~3,188~~ capacitor units. Oncor also installed ^{2,883}~~2,796~~
28 capacitors during this same time frame. As with transformers, for these
29 types of long-lead-time assets, Oncor cannot wait to purchase the assets

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- 1 until there is an immediate need to install and energize them. Instead, it is
2 essential that Oncor maintain a working reserve quantity to meet
3 unexpected failures or emergency needs in order to maintain system power
4 quality.
- 5 Q. HOW DOES ONCOR'S PRACTICE OF MAINTAINING A WORKING
6 RESERVE OF DISTRIBUTION TRANSFORMERS AND CAPACITORS
7 IMPACT CUSTOMER RELIABILITY?
- 8 A. At the end of 2019, there were over one million distribution transformers,
9 ~~7,449~~^{7,034} regulators, and ~~87,047~~^{86,167} capacitors installed on Oncor's system.
10 Failures of these types of distribution equipment occur for many reasons,
11 but are often elevated during storms and extreme weather events. By
12 maintaining an adequate working reserve of this equipment, Oncor is able
13 to both serve new customers in a timely fashion and quickly address
14 equipment failures sustained during storms or extreme weather, thereby
15 reducing delay in fulfillment of new service requests and duration of
16 customer outages in order to maintain the reliable operation of the system.
- 17 Q. HOW DOES ONCOR'S PRACTICE OF MAINTAINING A WORKING
18 RESERVE OF DISTRIBUTION TRANSFORMERS AND CAPACITORS
19 IMPACT ONCOR'S ABILITY TO SERVE NEW CUSTOMERS?
- 20 A. Oncor continues to experience load and customer growth within its service
21 territory. By purchasing certain quantities of these distribution assets in
22 advance and holding them in working reserve, Oncor is able to ensure that
23 an adequate supply is readily available to satisfy new customer growth as
24 it arises, rather than having to wait weeks or months to receive the assets
25 from the manufacturer.
- 26 Q. HOW DOES ONCOR DETERMINE THE APPROPRIATE QUANTITIES OF
27 DISTRIBUTION TRANSFORMERS THAT IT NEEDS TO MAINTAIN IN
28 WORKING RESERVE?