



Control Number: 50734



Item Number: 18

Addendum StartPage: 0

**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  
TO STEERING COMMITTEE OF CITIES SERVED BY ONCOR'S  
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.

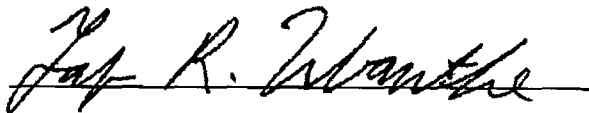
**II.  
Inspections**

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: 

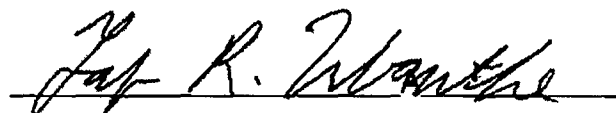
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**ATTORNEY FOR ONCOR ELECTRIC  
DELIVERY COMPANY LLC**

**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**

Refer to the Direct Testimony of Ellen E. Buck at 4. Please provide by Federal Energy Regulatory Commission (FERC) account the dollar amount of installed meters, dollar amount of meters held in reserve, and dollar amount of meters held in inventory (if different from meters held in reserve) at year-end 2019.

**Response**

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

Oncor's investment in meters is reflected in FERC Account 370—Meters, which, as defined in FERC Uniform System of Accounts, "... shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, whether actually in service or held in reserve."

As shown on Schedule B-1 [column (4), lines 15a-15b], Oncor's investment recorded in FERC Account 370 totals \$580,288,850 at year-end 2019. Of this total, \$551,683,846 reflects installed meters and \$28,605,004 of meters held in reserve. There is no meter investment reflected in inventory (*e.g.*, FERC Account 154—Plant materials and operating supplies).

**Request**

Refer to the Direct Testimony of Ellen E. Buck at 7. Please provide references to Commission Orders in Distribution Cost Recovery Factor (DCRF) applications that found that meters and meter-related hardware do not have to be installed or energized to be considered "in service."

**Response**

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

Oncor is not aware of any orders by the Public Utility Commission of Texas ("Commission") in Distribution Cost Recovery Factor ("DCRF") proceedings that specifically found that meters and meter-related hardware have to be installed or energized to be considered in service. However, as noted in Oncor's response to OCSC RFI Set No. 1, Question No. 1-01, by definition, Federal Energy Regulatory Commission ("FERC") Account 370—Meters includes investment "whether actually in service or held in reserve."

Similarly, Oncor is not aware of any orders by the Commission in DCRF proceedings that found that meters and meter-related hardware that are held in reserve (*i.e.*, have not been installed or energized) should be excluded from Electric Plant in Service, and such a finding would be directly contrary to FERC's Uniform System of Accounts requirements and guidance.

By rule (*see* 16 Tex. Admin. Code § 25.72), Oncor and other major electric utilities and cooperatives are required to maintain their books and records in compliance with the FERC's Uniform System of Accounts, which specifically provides that "[w]hen a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation or ready for service, shall be treated as *Electric Plant in Service* and allowance for funds used during construction as a charge to construction shall cease." (*See* FERC Electric Plant Instructions No. 17, *emphasis in original.*)

**Request**

Refer to the Direct Testimony of Ellen E. Buck at 7. Please provide for each of the last three years (2017 through 2019) the number of meters purchased and the number of meters installed on the Oncor system.

**Response**

The following response was prepared by or under the direct supervision of Ellen E. Buck the sponsoring witness for this response.

<b>Meters</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
<b>Installed</b>	302,843	502,310	503,163	1,308,316
<b>Purchased</b>	270,575	491,814	511,159	1,273,548

**Request**

Refer to the Direct Testimony of Ellen E. Buck at 8. Please provide by FERC account the dollar amount of distribution transformers, regulators and capacitors installed, dollar amount of distribution transformers, regulators and capacitors held in reserve, and dollar amount of distribution transformers, regulators and capacitors held in inventory (if different than held in reserve) at year-end 2019.

**Response**

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

Oncor's investment in distribution transformers, regulators, and capacitors is reflected in FERC Account 368—Line transformers, which, as defined, "... shall include the cost installed of overhead and underground distribution line transformers and pole-type and underground voltage regulators owned by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer, whether actually in service or held in reserve." There is no investment in transformers, regulators, and capacitors reflected in inventory accounts.

At year-end 2019, Oncor's investment in transformers, regulators, and capacitors reflects:

	<b><u>Installed Investment</u></b>	<b><u>Reserve Investment</u></b>
<b>Transformers</b>	\$1,975,988,653	\$65,758,287
<b>Regulators</b>	\$73,516,717	\$8,382,691
<b>Capacitors</b>	\$137,657,554	\$3,459,886

**Request**

Refer to the Direct Testimony of Ellen E. Buck at 8. Please provide references to Commission Orders in DCRF applications that found that distribution transformers, regulators and capacitors held in reserve are distribution invested capital in service.

**Response**

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

Oncor is not aware of any orders by the Public Utility Commission of Texas ("Commission") in Distribution Cost Recovery Factor ("DCRF") proceedings that specifically found that distribution transformers, regulators, and capacitors held in reserve are distribution invested capital in service. However, as noted in Oncor's response to OCSC RFI Set No. 1, Question No. 1-04, by definition, Federal Energy Regulatory Commission ("FERC") Account 368—Line transformers includes investment "whether actually in service or held in reserve."

Similarly, Oncor is not aware of any orders by the Commission in DCRF proceedings that found that distribution transformers, regulators, and capacitors that are held in reserve (*i.e.*, have not been installed or energized) should be excluded from Electric Plant in Service, and such a finding would be directly contrary to FERC's Uniform System of Accounts requirements and guidance.

By rule (*see* 16 Tex. Admin. Code § 25.72), Oncor and other major electric utilities and cooperatives are required to maintain their books and records in compliance with the FERC's Uniform System of Accounts, which specifically provides that "[w]hen a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation or ready for service, shall be treated as *Electric Plant in Service* and allowance for funds used during construction as a charge to construction shall cease." (*See* FERC Electric Plant Instructions No. 17, emphasis in original.)



**Request**

Refer to the Direct Testimony of Ellen E. Buck at 9. Please provide for each of the last three years (2017 through 2019) the number of distribution transformers, regulators and capacitors purchased and the number of distribution transformers, regulators and capacitors installed on the Oncor system.

**Response**

The following response was prepared by or under the direct supervision of Ellen E. Buck, the sponsoring witness for this response.

Regulating transformers are considered a subset of distribution transformers on the Oncor system, and therefore, their quantities have been combined for the purpose of describing installed and purchased transformers.

<b>Transformers (including Regulating Transformers)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
<b>Installed</b>	29,612	29,878	35,858	95,348
<b>Purchased</b>	27,974	22,109	31,214	81,297

<b>Capacitors</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
<b>Installed</b>	1,655	3,461	2,736	7,852
<b>Purchased</b>	2,083	3,295	3,188	8,566

**Request**

Refer to the Direct Testimony of Ellen E. Buck at 14. Please provide by FERC account the dollar amount of substation transformers installed and the dollar amount of spare substation transformers, at year-end 2019.

**Response**

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

Oncor's investment in substation transformers is reflected in FERC Accounts 353—Station equipment and 362—Station equipment. At year-end 2019, Oncor's distribution-related investment reflects the following components:

	<b><u>Installed Investment</u></b>	<b><u>Capital Spare Investment</u></b>
<b>FERC Account 353</b>	\$175,310,666	\$4,538,576
<b>FERC Account 362</b>	\$676,177,902	\$34,698,566

**Request**

Refer to the Direct Testimony of Ellen E. Buck at 14. Please provide by FERC account the dollar amount of mobile substation equipment at year-end 2019.

**Response**

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

Oncor's investment in mobile substation equipment is reflected in FERC Accounts 353—Station equipment, 361—Structures and improvements, and 362—Station equipment. At year-end 2019, Oncor's total distribution-related mobile substation investment consists of the following:

FERC Account 353	\$2,370,976
FERC Account 361	\$13,453
FERC Account 362	\$20,397,326

**Request**

Refer to the Direct Testimony of Ellen E. Buck at 14. Please provide for each of the last three years (2017 through 2019) the number of substation transformers purchased and the number installed on the Oncor system.

**Response**

The following response was prepared by or under the direct supervision of Ellen E. Buck, the sponsoring witness for the response.

Below are the total numbers of substation transformers (all of which are Medium Power Distribution Substation Transformers) that Oncor purchased and installed in the last three years.

Year	Purchased	Installed
2017	34	28
2018	40	45
2019	44	45
Total	118	118

**Request**

Refer to the Direct Testimony of Ellen E. Buck at 14. Please provide for each of the last three years (2017 through 2019) the number of mobile substation equipment purchased for the Oncor system.

**Response**

The following response was prepared by or under the direct supervision of Ellen E. Buck, the sponsoring witness for this response.

Year	Mobile Substation Equipment Purchased
2017	3
2018	2
2019	2

**Request**

Refer to the Direct Testimony of Ellen E. Buck at 14. Please provide references to Commission Orders in DCRF applications that found that spare substation transformers and mobile substation equipment are distribution invested capital and in service.

**Response**

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

Oncor is not aware of any orders by the Public Utility Commission of Texas ("Commission") in Distribution Cost Recovery Factor ("DCRF") proceedings that specifically found that spare transformers and mobile substation equipment are distribution invested capital and in service.

Similarly, Oncor is not aware of any orders by the Commission in DCRF proceedings that found that spare substation transformers and mobile substation equipment should be excluded from Electric Plant in Service, and such a finding would be directly contrary to the Federal Energy Regulatory Commission's ("FERC") Uniform System of Accounts requirements and guidance.

By rule (*see* 16 Tex. Admin. Code § 25.72), Oncor and other major electric utilities and cooperatives are required to maintain their books and records in compliance with the FERC's uniform system of accounts, which specifically provides that "[w]hen a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation or ready for service, shall be treated as *Electric Plant in Service* and allowance for funds used during construction as a charge to construction shall cease." (See FERC Electric Plant Instructions No. 17, emphasis in original.)

**Request**

Refer to the Direct Testimony of W. Allan Ledbetter at 11. Please provide the studies or analysis on which Oncor relied to establish the appropriate number of meters to purchase and hold in reserve.

**Response**

The following response was prepared by or under the direct supervision of Ellen E. Buck, the sponsoring witness for this response.

The information requested is confidential and will be made available only after execution of a certification to be bound by the protective order in this docket. An index of the confidential information is included in Attachment 1 to this response.

As described on Pages 4 – 6 of my Direct Testimony, Oncor's meter purchase and working reserve volumes are determined primarily by meter additions to support customer growth activities and replacements due to meter failures. Oncor prepares annual forecasts for both projected customer growth and replacements and these forecasts are listed on the index of Attachment 1.

**ATTACHMENT:**

ATTACHMENT 1 – Non-Voluminous Confidential Index, 1 page.

**NON-VOLUMINOUS CONFIDENTIAL INDEX**

1. 2017 – 2019 Annual Meter Replacement Projections, 1 page.
2. 2017 New Premise Forecast, 1 page.
3. 2018 New Premise Forecast, 1 page.
4. 2019 New Premise Forecast, 1 page.



**Request**

Refer to the Direct Testimony of W. Allan Ledbetter at 11. Please provide the studies or analysis on which Oncor relied to establish the appropriate number of transformers, capacitors, voltage regulators, and network protectors to purchase and hold in reserve.

**Response**

The following response was prepared by or under the direct supervision of Ellen E. Buck, the sponsoring witness for this response.

The information requested is confidential and will be made available only after execution of a certification to be bound by the protective order in this docket. An index of the confidential information is included in Attachment 1 to this response.

**Transformer and Regulators**

Attachment 1- Item 1 describes the process and considerations for determining the numbers of transformers and regulators to procure and hold in reserve in support of Oncor's operations. Additional analyses that support this decision include customer growth projections, including planned system improvement projects, and historical reactive equipment failure rates.

Reference Oncor's response to Docket No. 50734, OSCS RFI Set No. 1, Question No. 1-12, for historical projections for customer growth. Historical analyses related to 2017 – 2019 projections for equipment failures are included as Attachment 1- Item 2.

**Capacitors**

The number of capacitors procured and held in working reserve are determined by two main factors: planned Power Factor Correction projects and replacements of failed equipment. Attachment 1- Items 3 - 8 include the historical plans for planned power factor correction and equipment replacements for the period including 2017 – 2019.

**Network Protectors**

Network Protector purchases and working reserve volumes are determined by annual projections for both maintenance and new customer installations. Please see Attachment 1 - Items 9 – 12 for analyses of projected maintenance and new service locations.

**ATTACHMENT:**

ATTACHMENT 1 – Non-Voluminous Confidential Index, 1 page.

**NON-VOLUMINOUS CONFIDENTIAL INDEX**

1. Distribution Transformers and Regulators Working Reserve Guideline, 8 pages.
2. 2017-2019 Transformer and Regulator New Serve vs Replacement Historical Data, 1 page.
3. 2017 Power Factor Correction Plan (Metro Areas), 5 pages.
4. 2017 Power Factor Correction Plan (Non-Metro Areas) , 5 pages.
5. 2018 Power Factor Correction Plan (Metro Areas), 7 pages.
6. 2018 Power Factor Correction Plan (Non-Metro Areas), 8 pages.
7. 2019 Power Factor Correction Plan (Metro Areas), 7 pages.
8. 2019 Power Factor Correction Plan (Non-Metro Areas), 7 pages.
9. 2019 Network Plan New Serve Projections, 1 page.
10. 2019 Network Plan Replacement Projections, 3 pages.
11. 2018 Network Plan New Serve Projections, 1 page.
12. 2018 Network Plan Replacement Projections, 4 pages.

**Request**

Refer to the Direct Testimony of W. Allan Ledbetter at 12. Please provide the studies or analysis on which Oncor relied to establish the appropriate number of spare substation transformers and mobile substation equipment to purchase and hold in reserve.

**Response**

The following response was prepared by or under the direct supervision of Ellen E. Buck, the sponsoring witness for this response.

The information requested is confidential information and will be made available only after execution of a certification to be bound by the protective order in this docket. An index of the confidential information is included in Attachment 1 to this response.

Attachment 1 to this response provides the analysis utilized to determine the appropriate number of spare substations transformers to purchase and hold in reserve. This analysis also informs the purchase of mobile substation equipment as Oncor seeks to ensure the availability and diversity of its mobile fleet in order to sufficiently support the existing substation power transformer fleet. The Oncor mobile substation fleet is positioned to quickly restore service to distribution customers in the event of equipment failure or in emergency situations. In addition, Oncor's mobile substation fleet provides back-stand capability during station outages and enables Oncor to maintain power to customers during substation maintenance and construction activities.

**ATTACHMENT:**

ATTACHMENT 1 - Non-Voluminous Confidential Index, 1 page.

**NON-VOLUMINOUS CONFIDENTIAL INDEX**

1. System Spare Transformers, 19 pages.

**Request**

Refer to WP\_Schedule B-1\_1\_1 Expanded Project Descriptions for 2017, 2018 and 2019. For each land purchase project, please provide the anticipated in-service date of the associated substation.

**Response**

The following response was prepared by or under the supervision of Ellen E. Buck and W. Alan Ledbetter, the sponsoring witnesses for this response.

The information requested is highly sensitive confidential information and will be made available only after execution of a certification to be bound by the protective order in this docket. An index of the highly sensitive confidential information is included in Attachment 1 to this response.

**ATTACHMENT:**

Attachment 1 – Non-Voluminous Highly Sensitive Confidential Index, 1 page.

**NON-VOLUMINOUS HIGHLY SENSITIVE CONFIDENTIAL INDEX**

1. Anticipated In-Service Dates for Land Purchases Shown in WP\_Schedule B-1\_1\_1 Expanded Project Descriptions for 2017 through 2019, 1 page.