

I.

By this Stipulation, the Signatories resolve all issues among them related to this proceeding and hereby stipulate and agree as follows and request the Commission enter the proposed final Order attached hereto as Exhibit B (including the proposed Tariffs attached thereto) that reflects the following:

- A. **Base Rate Revenue Increase:** Oncor's total base rate revenue requirement will be increased by \$136,722,048 over current rate revenues [which include post-test year transmission cost of service ("TCOS") and transmission cost recovery factor ("TCRF") adjustments], resulting in a total cost of service of \$2,945,899,486, as reflected in Column (d) (Proposed Rates) of the attached Exhibit A (MOS) at Exhibit A. The Signatories have also agreed to and developed rates based upon the Proposed Rates for each customer class as reflected in Column (d) of the attached Exhibit A (MOS) at Exhibit A, which results in a change in rates for each customer class as reflected in Column (e) and a percentage change for each customer class as reflected in Column (f). The calculated rates have been incorporated in the Tariffs that are attached hereto at Exhibit B (Proposed Order) at Exhibits B1, B2, B3, and B4.
- B. **Financial Matters:** Oncor's Weighted Average Cost of Capital ("WACC") shall be 8.14% based upon a 6.73% Cost of Debt, an authorized Return on Equity ("ROE") of 10.25%, and an authorized regulatory capital structure of 60% long-term debt and 40% equity. The foregoing WACC, Cost of Debt, ROE, and capital structure will apply, in accordance with PURA² and Commission rules, in all Commission proceedings or Commission filings requiring application of Oncor's Cost of Debt, WACC, ROE, or capital structure to the same extent as if these factors had been determined in a final order in a fully-litigated proceeding.
- C. **Prudence Finding Regarding Investment:** The Signatories agree to a Commission finding that all Oncor investment through the end of the test year (June 30, 2010), as presented in Oncor's rate filing package ("RFP"), is prudent and includable in rate base. A determination of prudence regarding Oncor's investment made after June 30, 2010, (whether now in rates through interim TCOS and TCRF or non-TCOS in nature) will be reserved until Oncor's next general base rate case. This paragraph does not waive the rights of certain parties to continue their appeals of Docket No. 35717³ with respect to the prudence of certain automated meters. This paragraph also does not apply to investment subject to recovery through the Advanced Metering System ("AMS")

² Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (Vernon 2007 & Supp. 2010) ("PURA").

³ *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 35717. Order on Rehearing (Nov. 30, 2009).

surcharge approved in Docket No. 35718.⁴ The Signatories stipulate that Oncor's total rate base as of June 30, 2010 is \$8,098,414,835.

- D. **Prospective Franchise Fees**: To reflect the opinion of the District Court in the Docket No. 35717 appeal and the Commission's recent decision in Docket No. 38339,⁵ Oncor agrees to increase franchise fees to the contractual annual amount, to begin within 60 days after entry of a final order in this proceeding or July 1, 2011, whichever is later, but in any event retrospective to July 1, 2011. With the exception of Staff, the Signatories agree that this Stipulation resolves all outstanding appeals relating to municipal franchise fees in Docket No. 35717. Staff takes no position on that issue.
- E. **Regulatory Surcharge (Retrospective Franchise Fees and Rate Case Expenses)**: To reflect the opinion of the District Court in the Docket No. 35717 appeal and the Commission's recent decision in Docket No. 38339, within 60 days after entry of a final order in this proceeding, Oncor will pay the municipalities in its service territory retrospective franchise fees (calculated from the date that the rates approved in Docket No. 35717 went into effect through July 1, 2011) and rate case expenses (through July 1, 2011) and recover those amounts, plus Oncor's rate case expenses balance (through July 1, 2011) over three years in a separate surcharge with no carrying charges. Rate case expenses incurred after July 1, 2011 will be captured in a regulatory asset and preserved for recovery consideration in Oncor's next general base rate case.

The total amount of retrospective franchise fees, calculated through June 30, 2011, plus interest at the Commission-established rate, is \$21,848,230. The Regulatory Surcharge rider (Rider RS) included in the proposed Tariffs currently includes only these amounts for retrospective franchise fees. The Signatories have agreed that the issue of the appropriate level of rate case expenses shall be resolved in Docket No. 39239,⁶ where that issue is currently pending. Once the Commission has issued an order approving the level of rate case expenses to be recovered, Oncor will make a compliance filing with the Commission to adjust Rider RS to include the approved rate case expenses. The Signatories agree that the allocation factors to be used for Rider RS are reflected in the Supplemental Direct Testimony of J. Michael Sherburne at Exhibit JMS-SD-3. Rider RS will take effect January 1, 2012.

- F. **Rate NTS**: The Signatories agree that the transmission cost of service, as reflected in the Network Transmission Revenue row on the attached Exhibit A (MOS) at Exhibit A, shall be set as reflected in the attached Exhibit A (MOS) at Exhibit C.

⁴ *Oncor Electric Delivery Company LLC's Request For Approval Of Advanced Metering System (AMS) Deployment Plan And Request For Advanced Metering System (AMS) Surcharge*, Docket No. 35718, Order (Aug. 28, 2009).

⁵ *CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 38339 (pending).

⁶ *Application of Oncor Electric Delivery Company LLC for Rate Case Expense Severed from PUC Docket No. 38929, SOAH Docket No. 473-11-2330*, Docket No. 39239 (pending).

- G. **Rider SCUD (State Colleges and Universities Discount)**: Oncor will reinstate Rider SCUD without passing on any revenue shortfall to customers. If subsequent legislation eliminates or changes Rider SCUD, or upon a final, non-appealable court order that Rider SCUD is not applicable under current law, Oncor will change or eliminate the Rider SCUD discount consistent with any such legislation or court order. If Rider SCUD is changed or eliminated, any such change or elimination shall take effect prospectively following the effective date of applicable legislation or the issuance of a mandate by the court of last resort. No surcharge will be implemented or applied to recoup any Rider SCUD discount.
- H. **Cost Allocation and Rate Design**: The Signatories agree that costs shall be allocated among the customer classes consistent with the Proposed Rates reflected in Column (d) of the attached Exhibit A (MOS) at Exhibit A. The Signatories agree to the rate design and tariff language as proposed by Oncor in its RFP [which includes (1) eliminating the Transmission System Charge and thereby recovering all of Oncor's transmission expense through its TCRF as provided for in proposed Rider TCRF, and (2) modifications to the ratchet provisions in the Secondary >10 kW Class], subject to the following changes:
1. For TCRF, Oncor will use the 2010 unadjusted 4CP figures instead of the 2009 adjusted 4CP figures. The 2010 unadjusted 4CP figures are detailed in the Supplemental Direct Testimony of J. Michael Sherburne at Exhibit JMS-SD-1; and
 2. Changes to the tariff language, which have been as reflected in the Tariffs attached to the proposed Order attached hereto as Exhibit B.
- I. **Depreciation**: Oncor will use the depreciation rates it proposed in its direct case in this proceeding. Those rates are the same as the rates approved by the Commission in Docket No. 35717, with the exception that Oncor's proposal reflects an increase in the depreciation rate for intangible plant assets, which increase is reflected in the agreed total annual cost of service. The new agreed annual amortization rate for Account 303 (intangible plant) is 12.56%.
- J. **Meter Costs**: The Signatories agree to the amount of meter-reading costs and ad valorem taxes included in Oncor's new rates, to the extent those costs are related to meters that are being replaced pursuant to Oncor's Commission-approved AMS Deployment Plan. These numbers can be derived from Oncor's RFP and are as follows:
1. Meter-reading costs – \$15,785,691; and
 2. Ad valorem taxes – \$1,322,281.
- K. **Regulatory Assets and Certain Accruals**: Oncor will amortize its total regulatory asset balance as of June 30, 2010, as presented in the Company's RFP (old and new, self-insurance or "storm" reserve and pension/other postretirement benefits ("OPEB")), over eight (8) years, with such revised amortization to begin on January 1, 2012. The Signatories agree that the amount of the new annual amortizations are as follows:

1. Self-insurance reserve – \$31,514,420 (\$252,115,362 balance / 8 years);
2. Pensions – \$9,113,738 (\$72,909,900 balance / 8 years); and
3. OPEBs – \$6,921,963 (\$55,375,706 balance / 8 years).

Until January 1, 2012, Oncor will continue the amortizations of its regulatory asset balances at the levels approved in the Order on Rehearing in Docket No. 35717. Oncor will continue annual accruals for the self-insurance reserve, pensions, and OPEBs at the levels approved in the Order on Rehearing in Docket No. 35717.

- L. **Effective Dates for Rates and Riders:** Oncor shall phase-in rates as follows:
1. \$93,722,048 million base rate revenue increase to be effective the later of thirty (30) days after a final Commission order is signed, or July 1, 2011 (“Phase I Tariffs”);
 2. \$43 million base rate revenue increase effective January 1, 2012 (“Phase II Tariffs”);
 3. Regulatory Surcharge effective January 1, 2012 (“Rider RS”); and
 4. All new amortizations (self-insurance reserve and pensions/OPEBs) begin January 1, 2012.
- M. **Interim Rates:** The Administrative Law Judges or the Commission will approve interim/temporary rates consistent with the Stipulation effective July 1, 2011, pursuant to PURA § 36.109 and Commission Procedural Rule 22.125, should permanent rates not be approved and in effect by that date. In no event shall the permanent rates take effect sooner than 30 days after the Commission order(s) approving the Stipulation and Tariffs are signed.
- N. **Rate Freeze for General Base Rate Case:** Oncor will agree to not file a general base rate case before July 1, 2013; provided that Oncor has no obligation to file a rate case on that or any other date, and Oncor is entitled to file interim rate updates and adjust rates as allowed by Texas law and Commission rules, including, but not limited to, interim TCOS updates, TCRF updates, Energy Efficiency Cost Recovery Factor updates, AMS Surcharge filings, and other investment or cost updates that may exist now or in the future as a result of legislative or Commission action. Nothing in this paragraph is intended to limit the ability of a regulatory authority to initiate an Oncor rate case at any time.

II.

The Signatories agree that the terms of this Stipulation are fair, reasonable, and in the public interest. The Signatories further stipulate to the facts contained in the proposed Order attached hereto as Exhibit B and support and will take all reasonable efforts to obtain the prompt adoption of an order by the Commission consistent with this Stipulation as reflected in the attached proposed Order. The Signatories further agree to defend the terms of this Stipulation as set forth herein. The Signatories agree that this Stipulation does not affect any pending appeal of the Commission's final decision in Docket No. 35717 except as specifically provided for in this Stipulation.

III.

This Stipulation has been drafted by all Signatories and is the result of negotiation, compromise, settlement, and accommodation. The Signatories agree that the terms and conditions herein are interdependent. The various provisions of this Stipulation are not severable. None of the provisions of this Stipulation shall become fully operative unless the Commission shall have entered a final order approving this Stipulation consistent with the proposed Order. If the Commission does not accept this Stipulation as presented, or issues an interim or final order inconsistent with the terms of this Stipulation or the proposed Order, the Signatories agree that any Signatory adversely affected by that alteration has the right to withdraw from this Stipulation, thereby becoming released from its obligations arising hereunder, and to proceed as otherwise permitted by law to exercise all rights available under the law. The right to withdraw must be exercised by providing the other Signatories written notice within twenty (20) calendar days of the date the Commission order acting on this Stipulation is filed. Failure to provide such notice within the specified time period shall constitute a waiver of the right to withdraw and acceptance of the changes to this Stipulation made by the Commission.

IV.

This Stipulation is binding on each of the Signatories only for the purpose of settling the issues as set forth herein and for no other purposes. The matters resolved herein are resolved on the basis of a compromise and settlement. Except to the extent that this Stipulation expressly governs a Signatory's rights and obligations for future periods, this Stipulation shall not be

binding or precedential on a Signatory outside of this proceeding except for a proceeding to enforce the terms of this Stipulation. The Signatories agree that a Signatory's support of the resolution of this docket in accordance with this Stipulation may differ from its position or testimony regarding contested issues of law, policy, or fact in other proceedings before the Commission or other forum. Because this is a Stipulation, a Signatory is under no obligation to take the same position as set out in this Stipulation in other proceedings not referenced in this Stipulation whether those dockets present the same or a different set of circumstances. A Signatory's agreement to entry of a final order of the Commission consistent with this Stipulation should not be regarded as an agreement to the appropriateness or correctness of any assumptions, methodology, or legal or regulatory principle that may have been employed in reaching this Stipulation.

V.

This Stipulation contains the entire agreement among the Signatories. Moreover, this Stipulation supersedes all other written and oral exchanges or negotiations among the Signatories or their representatives with regard to the subjects contained herein. To the extent this Stipulation may be different from the MOS, or may contain additional terms to the MOS, this Stipulation controls. The Signatories hereby waive the right to an evidentiary hearing in this proceeding and waive cross-examination of all witnesses.

VI.

Each person executing this Stipulation represents that he or she is authorized to sign this Stipulation on behalf of the party represented. Facsimile copies of signatures are valid for purposes of evidencing this Stipulation, which may be executed in multiple counterparts.

VII.

WHEREFORE, PREMISES CONSIDERED, the Signatories respectfully request that this Honorable Commission enter an order consistent with the terms of this Stipulation.

AGREED:

ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: Matthew C. Henry (Matthew C. Henry, Legal Counsel)

STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

Agreed, except with regard to the Docket No. 35717 franchise fee appeal, about which Staff takes no position.

BY: _____

OFFICE OF PUBLIC UTILITY COUNSEL

BY: _____

STATE AGENCIES

BY: _____

TEXAS INDUSTRIAL ENERGY CONSUMERS

BY: _____

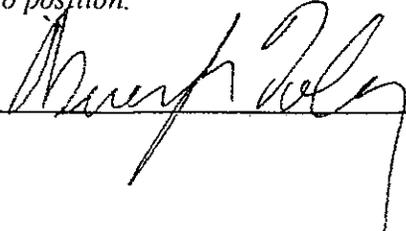
AGREED:

ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: _____

STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

Agreed, except with regard to the Docket No. 35717 franchise fee appeal, about which Staff takes no position.

BY:  _____

OFFICE OF PUBLIC UTILITY COUNSEL

BY: _____

STATE AGENCIES

BY: _____

TEXAS INDUSTRIAL ENERGY CONSUMERS

BY: _____

AGREED:

ONCOR ELECTRIC DELIVERY COMPANY LLC

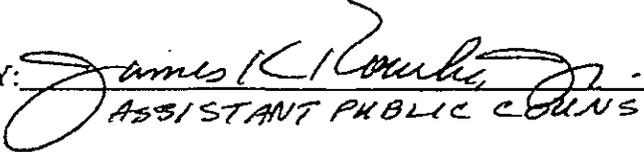
BY: _____

STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

Agreed, except with regard to the Docket No. 35717 franchise fee appeal, about which Staff takes no position.

BY: _____

OFFICE OF PUBLIC UTILITY COUNSEL

BY:  _____
ASSISTANT PUBLIC COUNSEL

STATE AGENCIES

BY: _____

TEXAS INDUSTRIAL ENERGY CONSUMERS

BY: _____

AGREED:

ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: _____

STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

Agreed, except with regard to the Docket No. 35717 franchise fee appeal, about which Staff takes no position.

BY: _____

OFFICE OF PUBLIC UTILITY COUNSEL

BY: _____

STATE AGENCIES

BY: Susan M. Kelley

TEXAS INDUSTRIAL ENERGY CONSUMERS

BY: _____

AGREED:

ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: _____

STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

Agreed, except with regard to the Docket No. 35717 franchise fee appeal, about which Staff takes no position.

BY: _____

OFFICE OF PUBLIC UTILITY COUNSEL

BY: _____

STATE AGENCIES

BY: _____

TEXAS INDUSTRIAL ENERGY CONSUMERS

BY: Meghan M. [Signature] 5/9/11

AGREED:

STEERING COMMITTEE OF CITIES SERVED BY ONCOR

BY: Thomas Beato w/o Matthew C. Henry

ALLIANCE OF ONCOR CITIES

BY: _____

WAL-MART STORES TEXAS, LLC, AND SAM'S EAST, INC.

BY: Richard Chankelain w/o Matthew C. Henry

THE KROGER CO.

BY: _____

AGREED:

STEERING COMMITTEE OF CITIES SERVED BY ONCOR

BY: _____

ALLIANCE OF ONCOR CITIES

BY: Felipe Alonso III

WAL-MART STORES TEXAS, LLC, AND SAM'S EAST, INC.

BY: _____

THE KROGER CO.

BY: _____

AGREED:

STEERING COMMITTEE OF CITIES SERVED BY ONCOR

BY: _____

ALLIANCE OF ONCOR CITIES

BY: _____

WAL-MART STORES TEXAS, LLC, AND SAM'S EAST, INC.

BY: _____

THE KROGER CO.

BY: Kurt Bohm *off Matthew C. Henry*

The following parties do not agree to this Stipulation and are not "Signatories" thereto, but agree that they do not and will not oppose the Commission entering a final order consistent with this Stipulation. The following parties also waive the right to an evidentiary hearing in this proceeding and waive cross-examination of all witnesses:

RELIANT ENERGY RETAIL SERVICES, LLC

BY: Jonathan Heller w/p Matthew C. Henry

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

BY: Jason Ryan w/p Matthew C. Henry

ALLIANCE FOR RETAIL MARKETS

BY: Stephen Davis w/p Matthew C. Henry

NUCOR STEEL - TEXAS

BY: Nelvana Nease w/p Matthew C. Henry

TXU ENERGY RETAIL COMPANY LLC

BY: John Mann w/p Matthew C. Henry

TEXAS ENERGY ASSOCIATION FOR MARKETERS

BY: _____

The following parties do not agree to this Stipulation and are not "Signatories" thereto, but agree that they do not and will not oppose the Commission entering a final order consistent with this Stipulation. The following parties also waive the right to an evidentiary hearing in this proceeding and waive cross-examination of all witnesses:

RELIANT ENERGY RETAIL SERVICES, LLC

BY: _____

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

BY: _____

ALLIANCE FOR RETAIL MARKETS

BY: _____

NUCOR STEEL - TEXAS

BY: _____

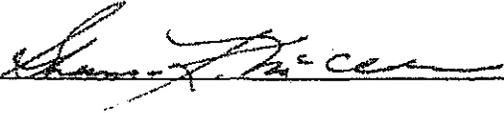
TXU ENERGY RETAIL COMPANY LLC

BY: _____

TEXAS ENERGY ASSOCIATION FOR MARKETERS

BY: Catherine J. Webber

ENVIRONMENTAL DEFENSE FUND

BY: 

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

BY: _____

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: _____

RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: _____

IBEW LOCAL 69

BY: _____

TEXAS COTTON GINNERS' ASSOCIATION &
ST. LAWRENCE COTTON GROWERS' ASSOCIATION

BY: _____

ENVIRONMENTAL DEFENSE FUND

BY: _____

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

BY: Bill Spears, Attorney for Brazos Electric

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: _____

RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: _____

IBEW LOCAL 69

BY: _____

**TEXAS COTTON GINNERS' ASSOCIATION &
ST. LAWRENCE COTTON GROWERS' ASSOCIATION**

BY: _____

ENVIRONMENTAL DEFENSE FUND

BY: _____

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

BY: _____

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: Mark Davis w/p Matthew C. Henry

RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: _____

IBEW LOCAL 69

BY: Richard Levy w/p Matthew C. Henry

TEXAS COTTON GINNERS' ASSOCIATION &
ST. LAWRENCE COTTON GROWERS' ASSOCIATION

BY: Zach Brady w/p Matthew C. Henry

ENVIRONMENTAL DEFENSE FUND

BY: _____

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

BY: _____

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: _____

RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: Campbell McGinnis w/p Matthew C. Henry

IBEW LOCAL 69

BY: _____

TEXAS COTTON GINNERS' ASSOCIATION &
ST. LAWRENCE COTTON GROWERS' ASSOCIATION

BY: _____

ATTACHMENT 2

EXHIBIT A

**CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408**

MEMORANDUM OF SETTLEMENT

This Memorandum of Settlement (“MOS”) documents the agreement of the signatory parties (the “Signatories”) with regard to Oncor’s 2011 general base rate case, Docket No. 38929. The Signatories agree to finalize a full and comprehensive stipulation (the “Stipulation”) and compliance tariffs consistent with and based upon the agreed terms as stated in this MOS, and to seek Commission approval of that Stipulation. The Stipulation shall include the following terms, and other necessary and customary terms and conditions that are consistent with the following terms:

- **Base Rate Revenue Increase:** Total base rate revenue requirement increase of \$136,722,048 over current rate revenues (including post-test year TCOS and TCRF adjustments), which results in a total cost of service of \$2,945,899,486, as reflected in Column (d) (Proposed Rates) of the attached Exhibit A, and which is based upon a 60/40 capital structure and 10.25% ROE. The Signatories have also agreed to develop rates based upon the Proposed Rates for each customer class as reflected in Column (d) of the attached Exhibit A, which results in a change in rates for each customer class as reflected in Column (e) and a percentage change for each customer class as reflected in Column (f) .
- **Rider SCUD:** Oncor will agree to reinstate Rider SCUD (without passing on any cost shortfall to customers). If subsequent legislation eliminates or changes Rider SCUD, or upon a final, non-appealable court order that Rider SCUD is not applicable under current law, Oncor will change or eliminate the Rider SCUD discount consistent with any such legislation or court order.
- **Rate Freeze:** Oncor will agree to not file a general base rate case before July 1, 2013; provided that, Oncor has no obligation to file a rate case on that or any other date, and Oncor is entitled to file interim rate updates as allowed by Texas law and Commission rules, including, but not limited to, Interim TCOS updates, TCRF updates, EECRF updates, AMS Surcharge filings, and other investment or cost updates that may exist now or in the future as a result of legislative or Commission action. Nothing in this paragraph is intended to limit the ability of a regulatory authority to initiate an Oncor rate case at any time.
- **Prudence Finding:** Finding that all Oncor investment through the end of the test year (June 30, 2010), as presented in Oncor’s rate filing package, is prudent and includable in rate base. A determination of prudence regarding Oncor’s investment made after June 30, 2010, (whether now in rates through Interim TCOS/TCRF or non-TCOS in nature) will be reserved until Oncor’s next general base rate case. This section does not waive the rights of certain parties to continue their appeals of Docket No. 35717 with respect to the prudence of certain automated meters.
- **Depreciation:** Use of depreciation rates proposed by Company in their direct case.
- **Regulatory Assets and Certain Accruals:** Amortize total regulatory asset balance as of June 30, 2010, as presented in Oncor’s rate filing package (old and new, storm and pension/OPEB), over 8 years, with amortization beginning January 1, 2012. Oncor will continue annual accruals for pensions, OPEBs, and storm (property insurance) reserve at the levels approved in the final Order on Rehearing in Docket No. 35717.
- **Prospective Franchise Fees:** To reflect the opinion of the District Court in the Docket 35717 appeal and the Commission’s recent decision in the CNP case (Docket 38339), Oncor agrees to increase franchise fees to contractual annual amount (to begin within 60 days after final order or July 1, whichever is later, but in any event retroactive to July 1). With the exception of Staff, the Signatories agree that this MOS resolves all outstanding appeals relating to municipal franchise fees in Docket No. 35717. Staff takes no position on that issue.

**CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408**

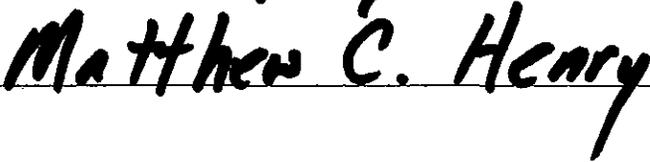
- **Cost Allocation and Rate Design:** The Signatories agree that costs shall be allocated among the customer classes consistent with the Proposed Rates reflected in Column (d) of the attached Exhibit A. The Signatories agree to support the rate design and tariff language as proposed by Oncor in its rate filing, subject to the following changes:
 - For TCRF, Oncor will use the 2010 unadjusted 4CP figures instead of the 2009 adjusted 4CP figures;
 - changes to the tariff language as reflected on the attached Exhibit B; and
 - any other such changes that may be agreed to by the Signatories.
- **Interim Rates:** SOAH ALJs or PUC will approve temporary/interim rates consistent with the settlement effective July 1, 2011, pursuant to PURA §36.109 and PUC Procedural Rule 22.125, should permanent rates not be approved and in effect by that date. In no event shall the permanent rates take effect sooner than 30 days after the Commission Order(s) approving the settlement and tariffs is (are) signed.
- **Regulatory Surcharge (Retroactive Franchise Fees and Rate Case Expenses):** To reflect the opinion of the District Court in the Docket 35717 appeal and the Commission's recent decision in the CNP case (Docket 38339), within 60 days after final order Oncor will pay cities retroactive franchise fees (calculated from the date that the rates approved in Docket No. 35717 went into effect through July 1, 2011) and rate case expenses (through July 1, 2011) and recover those amounts, plus Oncor's rate case expenses balance (through July 1, 2011) over three years in a separate surcharge with no carrying charges. Rate case expenses incurred after July 1, 2011 will be captured in a regulatory asset and preserved for recovery consideration in Oncor's next general base rate case.
- **Effective Dates for Rates and Riders:** Oncor shall phase-in rates as follows:
 - \$93,722,048 million base rate revenue increase effective July 1, 2011 or, with regard to permanent rates, 30 days after the Commission Order(s) approving the settlement and tariffs is (are) signed (includes prospective franchise fees)
 - \$43 million base rate revenue increase effective January 1, 2012.
 - Regulatory Surcharge effective January 1, 2012.
 - All new amortizations (storm and pensions/OPEBs) begin January 1, 2012.
- **Rate NTS:** The Signatories agree that the transmission cost of service, as reflected in the Network Transmission Revenue row on the attached Exhibit A, shall be set as reflected in the attached Exhibit C.

CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408

AGREED TO AS OF APRIL 8, 2011:



ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: 

STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

Agreed, except with regard to the Docket No. 35717 franchise fee appeal, about which Staff takes no position.

BY: _____

OFFICE OF PUBLIC UTILITY COUNSEL

BY: _____

STATE AGENCIES

Unopposed Subject to OAG Executive Administration Approval

BY: _____

TEXAS INDUSTRIAL ENERGY CONSUMERS

BY: _____

CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408

AGREED TO AS OF APRIL 8, 2011:

ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: _____

STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

Agreed, except with regard to the Docket No. 35717 franchise fee appeal, about which Staff takes no position.

BY:  _____

BRENNAN J. FOLEY, ATTORNEY - LEGAL DIVISION
OFFICE OF PUBLIC UTILITY COUNSEL

BY: _____

STATE AGENCIES

Unopposed Subject to OAG Executive Administration Approval

BY: _____

TEXAS INDUSTRIAL ENERGY CONSUMERS

BY: _____

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PROVIDED PURSUANT TO TRE 408

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ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: _____

STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

Agreed, except with regard to the Docket No. 35717 franchise fee appeal, about which Staff takes no position.

BY: _____

OFFICE OF PUBLIC UTILITY COUNSEL

BY: _____

STATE AGENCIES

Unopposed Subject to OAG Executive Administration Approval

BY: Susan M. Kelley

SUSAN M. KELLEY
ASSISTANT ATTORNEY GENERAL

TEXAS INDUSTRIAL ENERGY CONSUMERS

BY: _____

**CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408**

AGREED TO AS OF APRIL 8, 2011:

ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: _____

STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

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OFFICE OF PUBLIC UTILITY COUNSEL

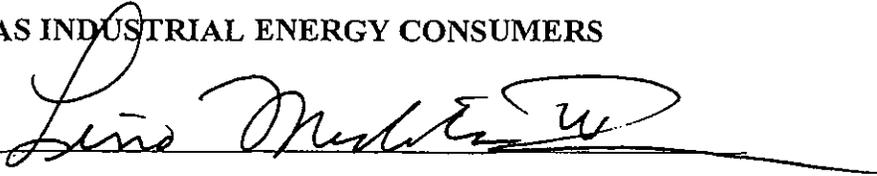
BY: _____

STATE AGENCIES

Unopposed Subject to OAG Executive Administration Approval

BY: _____

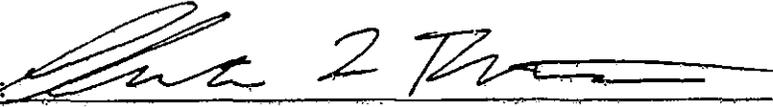
TEXAS INDUSTRIAL ENERGY CONSUMERS

BY:  _____

**CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408**

AGREED TO AS OF APRIL 8, 2011:

STEERING COMMITTEE OF CITIES SERVED BY ONCOR

BY:  _____

ALLIANCE OF ONCOR CITIES

BY: _____

WAL-MART STORES TEXAS, LLC, AND SAM'S EAST, INC.

BY: _____

THE KROGER CO

BY: _____

CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408

AGREED TO AS OF APRIL 8, 2011:

STEERING COMMITTEE OF CITIES SERVED BY ONCOR

BY: _____

ALLIANCE OF ONCOR CITIES

BY: *^* *Felipe Alonso III*

WAL-MART STORES TEXAS, LLC, AND SAM'S EAST, INC.

BY: _____

THE KROGER CO

BY: _____

**CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408**

AGREED TO AS OF APRIL 8, 2011:

STEERING COMMITTEE OF CITIES SERVED BY ONCOR

BY: _____

ALLIANCE OF ONCOR CITIES

BY: _____

WAL-MART STORES TEXAS, LLC, AND SAM'S EAST, INC.

BY: **Rick D. Chamberlain** _____
Digitally signed by Rick D. Chamberlain
DN: cn=Rick D. Chamberlain, o, ou=Attorney at Law,
email=rdc_law@swbell.net, c=US
Date: 2011.04.12 10:15:49 -05'00'

THE KROGER CO

BY: _____

CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408

AGREED TO AS OF APRIL 8, 2011:

STEERING COMMITTEE OF CITIES SERVED BY ONCOR

BY: _____

ALLIANCE OF ONCOR CITIES

BY: _____

WAL-MART STORES TEXAS, LLC, AND SAM'S EAST, INC.

BY: _____



THE KROGER CO

BY: Kurt J. Bolham, attorney for Kroger Co.

CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408

The following Parties do not agree to this MOS and are not "signatories" thereto, but agree that they will not oppose the Commission entering a final order consistent with this MOS:

RELIANT ENERGY RETAIL SERVICES, LLC

BY: Jonathan Heller *by permission Matt Henry*
Counsel to Reliant Energy

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

BY: _____

ALLIANCE FOR RETAIL MARKETS

BY: Stephen J. Davis *by permission Matt Henry*
Counsel for ARM

NUCOR STEEL - TEXAS

BY: _____

TXU ENERGY RETAIL COMPANY LLC

BY: John Moran *by permission Matt Henry*
Counsel for TXU Energy

TEXAS ENERGY ASSOCIATION FOR MARKETERS

BY: _____

**CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408**

The following Parties do not agree to this MOS and are not "signatories" thereto, but agree that they will not oppose the Commission entering a final order consistent with this MOS:

RELIANT ENERGY RETAIL SERVICES, LLC

BY: _____

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

BY: *Jason M. Ryan*

ALLIANCE FOR RETAIL MARKETS

BY: _____

Nelson Nelson & Matt Heny
NUCOR STEEL - TEXAS

BY: *Nelson Nease, Counsel for Nucor*

TXU ENERGY RETAIL COMPANY LLC

BY: _____

TEXAS ENERGY ASSOCIATION FOR MARKETERS

BY: _____

**CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408**

The following Parties do not agree to this MOS and are not "signatories" thereto, but agree that they will not oppose the Commission entering a final order consistent with this MOS:



TEXAS ENERGY ASSOCIATION FOR MARKETERS

BY: ANDRES MEDRANO

ENVIRONMENTAL DEFENSE FUND

BY: _____

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

BY: _____

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: _____

RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: _____

IBEW LOCAL 69

BY: _____

CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408

The following Parties do not agree to this MOS and are not "signatories" thereto, but agree that they will not oppose the Commission entering a final order consistent with this MOS:



ENVIRONMENTAL DEFENSE FUND

BY: Shannon K. McClendon

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

BY: _____

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: _____

RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: _____

IBEW LOCAL 69

BY: _____

TEXAS COTTON GINNERS' ASSOCIATION &
ST LAWRENCE COTTON GINNERS' ASSOCIATION

BY: _____

CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408

The following Parties do not agree to this MOS and are not "signatories" thereto, but agree that they will not oppose the Commission entering a final order consistent with this MOS:

ENVIRONMENTAL DEFENSE FUND

BY: _____

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

BY: Bill Sears, Attorney for Brazos Electric

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: _____

RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: _____

IBEW LOCAL 69

BY: _____

TEXAS COTTON GINNERS' ASSOCIATION &
ST LAWRENCE COTTON GINNERS' ASSOCIATION

BY: _____

**CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408**

The following Parties do not agree to this MOS and are not "signatories" thereto, but agree that they will not oppose the Commission entering a final order consistent with this MOS:

TEXAS ENERGY ASSOCIATION FOR MARKETERS

BY: _____

ENVIRONMENTAL DEFENSE FUND

BY: _____

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

BY: _____

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: Mark C. Davis
by permission sdh

RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: _____

IBEW LOCAL 69

BY: _____

CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408

The following Parties do not agree to this MOS and are not "signatories" thereto, but agree that they will not oppose the Commission entering a final order consistent with this MOS:

ENVIRONMENTAL DEFENSE FUND

BY: _____

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

BY: _____

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: John W Kirkland
JOHN W KIRKLAND, President
RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: _____

IBEW LOCAL 69

BY: _____

TEXAS COTTON GINNERS' ASSOCIATION &
ST LAWRENCE COTTON GINNERS' ASSOCIATION

BY: _____

CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408

The following Parties do not agree to this MOS and are not "signatories" thereto, but agree that they will not oppose the Commission entering a final order consistent with this MOS:

ENVIRONMENTAL DEFENSE FUND

BY: _____

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

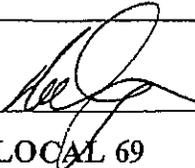
BY: _____

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: _____

RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: _____



IBEW LOCAL 69

BY: Richard Levy

TEXAS COTTON GINNERS' ASSOCIATION &
ST LAWRENCE COTTON GINNERS' ASSOCIATION

BY: _____

**CONFIDENTIAL SETTLEMENT PROPOSAL
PROVIDED PURSUANT TO TRE 408**

The following Parties do not agree to this MOS and are not "signatories" thereto, but agree that they will not oppose the Commission entering a final order consistent with this MOS:

ENVIRONMENTAL DEFENSE FUND

BY: _____

BRAZOS ELECTRIC POWER COOPERATIVE, INC.

BY: _____

TEX-LA ELECTRIC COOPERATIVE OF TEXAS, INC.

BY: _____

RAYBURN COUNTRY ELECTRIC COOPERATIVE, INC.

BY: _____

IBEW LOCAL 69

BY: _____

**TEXAS COTTON GINNERS' ASSOCIATION &
ST LAWRENCE COTTON GINNERS' ASSOCIATION**

BY: Amber Brady
Amber Brady

PUC DOCKET NO. 38929
ONCOR ELECTRIC DELIVERY COMPANY LLC
SUMMARY OF PROPOSED RATES BY CUSTOMERS AND RATE CLASS

Run 2011-04-01 / Baseline (revised) with Kit's Settlement Numbers (4/6/11 @ 3:54 pm) and Wholesale Settlement

Rate Class Description (a)	Number of Customers (b)	Present Rates ¹ (c)	Proposed Rates (d)	Proposed Change (e)	% Change (f)
Residential	2,685,933	\$1,042,474,076	\$1,107,010,869	\$64,536,793	6.2%
Secondary ≤ 10 kW	218,606	\$50,820,513	\$53,198,343	\$2,377,830	4.7%
Secondary > 10 kW	179,563	\$871,493,769	\$935,970,079	\$64,476,310	7.4%
Primary ≤ 10 kW	1,924	\$551,514	\$623,702	\$72,188	13.1%
Primary > 10 kW Dist. Line	4,035	\$112,365,844	\$111,905,556	(\$460,288)	-0.4%
Primary Substation	66	\$11,815,877	\$11,765,877	(\$50,000)	-0.4%
Transmission	174	\$47,123,142	\$46,612,854	(\$510,288)	-1.1%
Lighting	69,125	\$51,701,265	\$58,827,584	\$7,126,319	13.8%
Total	3,159,426	\$2,188,346,000	\$2,325,914,864	\$137,568,864	6.3%
Wholesale Substation	16	\$459,606	\$474,113	\$14,507	3.2%
Wholesale DLS	64	\$2,038,454	\$2,108,453	\$69,999	3.4%
Other Revenue	-	\$49,146,271	47,497,068	(\$1,584,203)	-3.2%
Grand Total	3,159,506	\$2,239,990,331	\$2,375,994,498	\$136,069,167	6.1%
Network Transmission Revenue		\$544,310,069	\$544,310,069	\$0	0.0%
Transmission Related Other Revenues		\$24,942,038	\$25,594,919	\$652,881	2.6%
Total Cost of Service		\$2,809,242,438	\$2,945,899,486	\$136,722,048	4.9%

¹ Test-year revenues have been adjusted to annualize the Docket No. 35717 rate increase, to normalize billing units, to remove the revenues associated with Oncor's Advanced Metering Cost Recovery Factor, Energy Efficiency Cost Recovery Factor, and Rate Case Expense surcharge, and to increase test-year revenues to reflect TCOS and TCRF adjustments approved or pending after June 30, 2010.

In the Tariff for Retail Delivery Service, Section 6.1.1.1.1 Residential Service, change the Availability section as follows:

AVAILABILITY

This schedule is applicable to Delivery Service for residential purposes (which may include a small amount of non-residential usage incident to residential usage) of a permanent nature to Individual Private Dwellings (including their appurtenant structures) and to individually metered apartments when such Delivery Service is to one Point of Delivery and measured through one Meter and is not for shared or resale purposes. Residential Service is limited to one individual Private Dwelling per platted parcel of land or postal delivery address.

If a premise is primarily used for non-residential purposes, Delivery Service will be provided under the Company's appropriate Secondary Service or Primary Service rate schedule.

This schedule is not available for non-residential service, including but not limited to water wells, electric gates, barns, garages, boat docks, airplane ~~hangars~~ hangers, or recreational vehicle parks, or for structures on the platted parcel requiring a separate meter.

In the Tariff for Transmission Service, Section 4.0, change the Facility Connection Requirements Definition as follows:

FACILITY CONNECTION REQUIREMENTS. Requirements for connecting with Company's transmission system that are reflected in the current versions of Oncor Standard 500-250 Guideline – Facility Connection Requirements for Radial Points of Interconnection at Transmission Voltages with Utilities; Oncor Standard 500-251 Guideline – Facility Connection Requirements for Points of Interconnection at Transmission Voltage with Retail Customers; Oncor Standard 500-252 Guideline – Facility Connection Requirements for Bi-Directional Points of Interconnection at Transmission Voltages with Electric Utilities; and Oncor Standard 500-253 Guideline – Facility Connection Requirements for Points of Interconnection at Transmission Voltages with Generators; and in any other facility connection requirements adopted by Company subsequent to the approval of this Tariff if required by NERC, Texas Reliability Entity, or ERCOT; and in any amendments to the facility connection requirements identified in this definition adopted subsequent to the approval of this Tariff if required by NERC, Texas Reliability Entity, or ERCOT. These Standards are available on the Company's website.

PUC DOCKET NO. 38929 (Settlement)
 ONCOR ELECTRIC DELIVERY COMPANY LLC
 TOTAL COST OF SERVICE
 TEST YEAR ENDING JUNE 30, 2010

Line No	Description	Settlement TCOS	TCOS 38495 Interim Update	RFP Incr/decr
1	Operating and Maintenance Expenses	87,909,195	81,527,546	6,381,649
2	Depreciation, Amortization, & Other Expenses	138,493,534	135,743,982	2,749,552
3	Taxes Other Than Federal Income Tax	49,458,606	47,599,076	1,859,530
4	Federal Income Tax	65,563,416	60,290,071	5,273,345
5				
6	Return on Rate Base	228,480,237	241,287,917	(12,807,680)
7				
8	TOTAL COST OF SERVICE	569,904,988	566,448,592	3,456,396
9				
10	Decommissioning Expense	-	-	-
11				
12	Other Non-Bypassable Charges	-	-	-
13				
14	Minus: Other Revenues	25,594,919	22,138,523	3,456,396
15				
16	TOTAL ADJUSTED REVENUE REQUIREMENT	544,310,069	544,310,069	0
	Interest	113,792,935	121,809,601	(8,016,666)
	IBIT	180,250,718	179,768,387	482,331
	FIT effective rate	36.4%	33.5%	2.84%

PUC DOCKET NO. 38929 (Settlement)
 ONCOR ELECTRIC DELIVERY COMPANY LLC
 RATE BASE
 TEST YEAR ENDING JUNE 30, 2010

Line No	Description	Settlement TCOS	TCOS 38495 Interim Update	RFP Incr/decr
1	Original Cost of Plant	4,376,786,067		
2	General Plant	70,565,023		
3	Communication Equipment	42,936,590		
4	Total Plant	4,490,287,680		
5				
6	Minus: Accumulated Depreciation	1,233,876,948		
7				
8	Net Plant In Service	3,256,410,732	3,272,708,860	(16,298,128)
9				
10	Other Rate Base Items:			
11	CWIP	-	-	-
12	Plant Held for Future Use	16,546,254	13,563,314	2,982,940
13	Accumulated Provisions	-	-	-
14	Materials & Supplies	52,348,621	29,456,595	22,892,026
15	Cash Working Capital	(1,116,975)	(1,934,179)	817,204
16	Prepayments	451,686	2,034,025	(1,582,339)
17	Other Rate Base Items	(4,681,857)	(15,085,000)	10,403,143
18	Regulatory Assets	17,473,874	3,320,874	14,153,000
19	Accumulated Deferred Income Taxes	(519,380,452)	(389,959,210)	(129,421,242)
20				
21	Subtotal	(438,358,849)	(358,603,581)	(79,755,268)
22				
23	TOTAL RATE BASE	2,818,051,883	2,914,105,279	(96,053,396)
24				
25	Rate of Return	8.11%	8.28%	-0.17%
26				
27	RETURN ON RATE BASE	228,480,237	241,287,917	(12,807,680)

ONCOR ELECTRIC DELIVERY COMPANY LLC
Interim Update of Wholesale Transmission Cost of Service
Rate Base
Test Year Ended June 30, 2010
Sponsor: J. Michael Sherburne

25

Line No.	Description	Balance Approved per Docket 38929 Final Order (1)
Direct Assigned:		
FERC Accounts (350 - 362)		
1	Original Plant In Service	\$ 4,278,224,242
2	(Accumulated Depreciation)	(1,101,804,401)
3	Net Plant In Service	3,176,419,841
4	Allocated Plant Accounts - Net *	79,990,888
5	Working Capital *	(1,116,975)
6	Plant Held for Future Use *	16,546,254
7	Regulatory Assets *	17,473,874
8	Other *	(471,262,002)
9	Subtotal	(358,367,961)
10	Total Rate Base	\$ 2,818,051,880
11	Rate of Return	8.11%
12	Return On Rate Base	\$ 228,480,237
* Same as last TCOS		

Sch II-B-1, pg 4, line 42, col (m)
 Sch II-B-5, pg 2, line 44, col (m)
 Lines 3&4 total \$3,256,410,729 (see line 8 of Settlement TCOS Schedule)
 Settlement TCOS Schedule, line 15
 Sch II-B, pg 1, line 12, col (f)
 Settlement TCOS Schedule, line 18
 Materials & Supplies 52,348,621 Sch II-B, line 14, col (f)
 Prepayments 451,686 Sch II-B, line 16, col (f)
 Other Rate Base Items (4,681,857) Sch II-B, line 17, col (f)
 Accum Deferred FIT (519,380,452) Sch II-B, line 19, col (f)
 Total (471,262,002)
 Settlement TCOS Schedule, lines 23-27

Gross Plant		
- Intangibles	98,561,822	Sch II-B-1, pg 2, line 6, col (m)
- General	70,565,023	Sch II-B-2, pg 2, line 19, col (m)
- Communication	42,936,590	Sch II-B-3, pg 2, line 4, col (m)
Total	212,063,435	
Accum Depreciation		
- Intangibles	(83,995,481)	Sch II-B-5, pg 2, line 7, col (m)
- General	(19,709,647)	Sch II-B-5, pg 4, line 61, col (m)
- Communication	(28,367,419)	Sch II-B-5, pg 4, line 67, col (m)
Total	(132,072,547)	
Net General Plant	79,990,888	

ONCOR ELECTRIC DELIVERY COMPANY LLC
Interim Update of Wholesale Transmission Cost of Service
Transmission Plant
Test Year Ended June 30, 2010
Sponsor: J. Michael Sherburne

26

Line No.	Acct. No.	Account Description	Schedule / Workpaper Reference	Balance Approved per Docket 38929 Final Order (1)	
Transmission Plant					
1	A350	Land and Land Rights	WP/Schedule B-1/1	\$ 269,423,481	Sch II-B-1, page 2, lines 9+10, col (m)
2	A352	Structures and Improvements	WP/Schedule B-1/1	138,930,226	Sch II-B-1, page 2, line 11, col (m)
3	A353	Station Equipment	WP/Schedule B-1/1	1,313,015,463	Sch II-B-1, page 2, line 12, col (m)
4	A354	Towers and Fixtures	WP/Schedule B-1/1	505,905,311	Sch II-B-1, page 2, line 13, col (m)
5	A355	Poles, and Fixtures	WP/Schedule B-1/1	757,534,869	Sch II-B-1, page 2, line 14, col (m)
6	A356	O. H. Conductors & Devices	WP/Schedule B-1/1	920,846,028	Sch II-B-1, page 2, line 15, col (m)
7	A357	Underground Conduit	WP/Schedule B-1/1	47,029,543	Sch II-B-1, page 2, line 16, col (m)
8	A358	Underground Conductors	WP/Schedule B-1/1	60,680,266	Sch II-B-1, page 2, line 17, col (m)
9	A359	Roads and Trails	WP/Schedule B-1/1	0	
10		Total Transmission Plant		4,013,365,187	Sch II-B-1, page 2, line 20, col (m)
Distribution Plant					
11	A360	Land and Land Rights (above 60 kV)	WP/Schedule B-1/1	13,888,662	Sch II-B-1, page 4, lines 23+37, col (m)
12	A361	Structures and Improvements (above 60 kV)	WP/Schedule B-1/1	20,590,037	Sch II-B-1, page 4, line 24, col (m)
13	A362	Station Equipment (above 60 kV)	WP/Schedule B-1/1	230,380,356	Sch II-B-1, page 4, line 25, col (m)
14		Total Distribution Plant		264,859,055	Sch II-B-1, page 4, line 39, col (m)
15		Total Transmission Plant in Service - Gross	Schedule B	\$ 4,278,224,242	Sch II-B-1, page 4, line 42, col (m)

ONCOR ELECTRIC DELIVERY COMPANY LLC
Interim Update of Wholesale Transmission Cost of Service
Accumulated Depreciation
Test Year Ended June 30, 2010
Sponsor: J. Michael Sherburne

27

Line No.	Acct. No.	Account Description	Schedule / Workpaper Reference	Balance Approved per Docket 38929 Final Order (1)	
		Accumulated Depreciation			
		Transmission Plant			
1	A350	Land and Land Rights		\$ 40,657,087	Sch II-B-5, page 2, lines 11+12, col (m)
2	A352	Structures and Improvements		31,725,776	Sch II-B-5, page 2, line 13, col (m)
3	A353	Station Equipment		230,933,209	Sch II-B-5, page 2, line 14, col (m)
4	A354	Towers and Fixtures		161,214,614	Sch II-B-5, page 2, line 15, col (m)
5	A355	Poles and Fixtures		235,581,668	Sch II-B-5, page 2, line 16, col (m)
6	A356	O. H. conductors & Devices		301,677,492	Sch II-B-5, page 2, line 17, col (m)
7	A357	Underground Conduit		8,948,342	Sch II-B-5, page 2, line 18, col (m)
8	A358	Underground Conductors		14,815,707	Sch II-B-5, page 2, line 19, col (m)
9	A359	Roads and Trails		-	
10		Total Transmission Plant		1,025,553,895	Sch II-B-5, page 2, line 22, col (m)
		Distribution Plant			
11	A360	Land and Land Rights (above 60 kV)		18,098	Sch II-B-5, page 2, line 26, col (m)
12	A361	Structures and Improvements (above 60 kV)		8,560,324	Sch II-B-5, page 2, line 27, col (m)
13	A362	Station Equipment (above 60 kV)		67,672,084	Sch II-B-5, page 2, line 28, col (m)
14		Total Distribution Plant		76,250,506	Sch II-B-5, page 2, line 41, col (m)
15		Total Transmission Accumulated Depreciation	Schedule B	\$ 1,101,804,401	Sch II-B-5, page 2, line 44, col (m)

ATTACHMENT 2

EXHIBIT B

EXHIBIT B

**PUC DOCKET NO. 38929
SOAH DOCKET NO. 473-11-2330**

APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC FOR AUTHORITY TO CHANGE RATES	§ § §	BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS
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ORDER

On January 7, 2011, Oncor Electric Delivery Company LLC (Oncor or Company) filed an application for authority to change rates pursuant to Public Utility Regulatory Act (PURA)¹ § 36.102. Oncor requested a base rate increase of approximately \$353 million, which is approximately 12.6% over adjusted test-year revenues (or \$441 million and 16.2% if approved or pending transmission cost of service (TCOS) and transmission cost recovery factor (TCRF) adjustments to the test year are excluded from the adjustments to test-year revenues (and thus included in proposed base rates)). The application is based on a test year consisting of the 12-month period ending June 30, 2010, with February 14, 2011 as the proposed effective date for rates. In Order No. 1, the State Office of Administrative Hearings (SOAH) administrative law judges (ALJs) suspended the proposed effective date of the tariff changes for 150 days, until July 14, 2011, to allow sufficient time for a final determination. At the January 28, 2011 Prehearing Conference, Oncor agreed to extend the Commission's jurisdictional deadline to July 31, 2011.

On May 11, 2011, Commission Staff, Oncor, and certain other parties filed a Stipulation (Stipulation) resolving all issues in this proceeding. All other parties not joining in the Stipulation have agreed not to oppose it. Oncor's application, as modified by the Stipulation, is approved. Consistent with all of the terms of the Stipulation, the Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Introduction and Procedural History

1. Oncor is an investor-owned electric utility within the Electric Reliability Council of Texas (ERCOT) system.
2. Oncor owns and operates facilities used to transmit and distribute electricity in the northeast to central and west Texas, including the Dallas-Fort Worth Metroplex area. Oncor delivers

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (Vernon 2007 & Supp. 2010).

electricity to more than three million wholesale and retail customers in 401 cities and 91 counties in Texas through one of the largest integrated electric systems in the United States and the largest in Texas.

3. On January 7, 2011, Oncor filed its application with the Commission for authority to increase its transmission and distribution rates to achieve an increase in revenue of approximately \$353 million over adjusted test-year revenues, or approximately a 12.6% increase over adjusted test-year revenues.
4. Oncor provided individual notice of its application to Commission Staff and the Office of Public Utility Counsel (OPC) on January 7, 2011.
5. Concurrent with its filing with the Commission, Oncor filed a similar petition and statement of intent with each incorporated city in its service area that has original jurisdiction over its retail distribution rates.
6. Oncor provided notice by publication once a week for four consecutive weeks before the effective date of the proposed rate change in newspapers having general circulation in each county in Oncor's service territory.
7. On January 7, 2011, Oncor provided notice to all municipalities in Oncor's service area with original jurisdiction by sending a copy of Oncor's petition and statement of intent.
8. Oncor timely provided each party in Oncor's last application to change rates, *Application of Oncor Electric Delivery LLC for Authority to Change Rates*, Docket No. 35717, the complete rate filing package (RFP) and CD either by hand delivery or overnight delivery.
9. On January 7, 2011, Oncor mailed notice of its petition and statement of intent to all retail electric providers currently certificated by the Commission and to all entities listed in the Commission's transmission matrix in Docket No. 38900.
10. The Commission referred this proceeding to SOAH on January 10, 2011. On February 8, 2011, the Commission issued its Preliminary Order setting forth the issues to be addressed in this proceeding.
11. On March 2, 2011, the Commission issued a Supplemental Preliminary Order stating that the issue of whether the direct assignment of costs for wholesale customers is appropriate should not be addressed in this proceeding.
12. Commission Staff participated in this docket. In addition, the following entities were granted intervenor status in this proceeding: OPC; State agencies and institutions of higher

education (State Agencies); Texas Industrial Energy Consumers (TIEC); the Steering Committee of Cities Served by Oncor (Cities); Alliance of Oncor Cities (AOC); Wal-Mart Stores Texas, LLC and Sam's East, Inc. (Walmart); The Kroger Co. (Kroger); Reliant Energy Retail Services, LLC; CenterPoint Energy Houston Electric, LLC; the Alliance for Retail Markets; Nucor Steel - Texas; TXU Energy Retail Company LLC; Texas Energy Association for Marketers; Environmental Defense Fund; Brazos Electric Power Cooperative Inc.; Tex-La Electric Cooperative of Texas, Inc.; Rayburn Country Electric Cooperative, Inc.; IBEW Local 69; and Texas Cotton Ginners' Association & St. Lawrence Cotton Growers' Association.

13. Oncor filed timely appeals with the Commission of the rate ordinances of various municipalities exercising original jurisdiction within Oncor's service territory. All such appeals were consolidated for determination in this proceeding.
14. By Order No. 4, filed February 24, 2011, the SOAH ALJs granted Oncor's unopposed motion to sever issues related to recovery of rate case expenses from this docket into a separate docket. The severed matter was assigned *Application of Oncor Electric Delivery Company LLC for Rate Case Expenses Severed from PUC Docket No. 38929, SOAH Docket No. 473-11-2330, Docket No. 39239* (pending).
15. Oncor's application is based on the test year ending June 30, 2010.
16. Oncor's proposed effective date of February 14, 2011 for the proposed rates was suspended by the SOAH ALJs for 150 days, until July 14, 2011, to allow sufficient time for a final determination. At the January 28, 2011 Prehearing Conference, Oncor agreed to extend the proposed effective date to March 3, 2011, and thus extend the Commission's jurisdictional deadline to July 31, 2011.
17. On April 8, 2011, Oncor announced that it and certain parties had reached an agreement in principal to settle all issues regarding Oncor's application and moved to abate the procedural schedule to finalize the settlement.
18. By Order No. 12, filed April 11, 2011, the SOAH ALJs granted Oncor's unopposed motion to abate the procedural schedule. By Order No. 15, filed April 29, 2011, the SOAH ALJs granted Oncor's unopposed motion to cancel the hearing on the merits.
19. On May 11, 2011, the following parties filed an Unopposed Joint Motion to: Admit Affidavit of Notice, Stipulation, and Supporting Testimony in Evidence; Approve Interim

Rates; and Remand to the Commission for Review and Approval of Stipulation, Proposed Final Order, and Tariffs (Joint Motion): Oncor; Commission Staff; OPC; State Agencies; TIEC; Cities; AOC; Walmart; and Kroger (collectively, Signatories). All other parties that have not joined in the Stipulation have agreed that they do not and will not oppose it, and all parties have waived their right to a hearing and to conduct cross-examination in this proceeding.

20. By Order No. __, filed May __, 2011, the SOAH ALJs approved interim/temporary rates consistent with the Stipulation effective July 1, 2011, pursuant to PURA § 36.109 and Commission Procedural Rule 22.125, should permanent rates not be approved and in effect by that date.
21. By Order No. __, filed May __, 2011, the SOAH ALJs granted the Joint Motion, admitting into evidence the following: (a) Oncor's Affidavit Attesting to the Provision of Notice (including attachments) filed on March 2, 2011; (b) the Stipulation; (c) the Supplemental Direct Testimony in Support of Stipulation of Stephen N. Ragland; and (d) the Supplemental Direct Testimony in Support of Stipulation of J. Michael Sherburne. By the same order, this proceeding was returned to the Commission for review and approval of the Stipulation and related tariffs (Tariffs).

The Stipulation

Base Rate Revenue Increase and Related Matters

22. Consistent with the Stipulation, the Signatories agreed that Oncor's total base rate revenue requirement will be increased by \$136,722,048 over current rate revenues (which include post-test year TCOS and TCRF adjustments), resulting in a total cost of service of \$2,945,899,486. Consistent with the Stipulation, the Signatories also developed rates for each customer class that results in a change in rates for each customer class as reflected in Exhibit A to the Stipulation. The calculated rates have been incorporated in the Tariffs attached to this Order.
23. Oncor's Weighted Average Cost of Capital ("WACC") shall be 8.14% based upon a 6.73% Cost of Debt, an authorized Return on Equity ("ROE") of 10.25%, and an authorized regulatory capital structure of 60% long-term debt and 40% equity. The foregoing WACC, Cost of Debt, ROE, and capital structure will apply, in accordance with PURA and Commission rules, in all Commission proceedings or Commission filings requiring

application of Oncor's Cost of Debt, WACC, ROE, or capital structure to the same extent as if these factors had been determined in a final order in a fully-litigated proceeding.

24. A 10.25% ROE will allow Oncor a reasonable opportunity to earn a reasonable return on its capital investment.
25. Consistent with the Stipulation, the Signatories agreed that all Oncor investment through the end of the test year, as presented in Oncor's RFP, is prudent and includable in rate base. A determination of prudence regarding Oncor's investment made after June 30, 2010 (whether now in rates through interim TCOS and TCRF or non-TCOS in nature) will be reserved until Oncor's next general base rate case. This provision does not waive the rights of certain parties to continue their appeals of Docket No. 35717² with respect to the prudence of certain automated meters. This provision also does not apply to investment subject to recovery through the Advanced Metering System (AMS) surcharge approved in Docket No. 35718.³ Consistent with the Stipulation, the Signatories agreed that Oncor's total rate base as of June 30, 2010 is \$8,098,414,835.
26. Consistent with the Stipulation, and to reflect the opinion of the District Court in the Docket No. 35717 appeal and the Commission's recent decision in Docket No. 38339,⁴ Oncor will:
 - a. Increase franchise fees to the contractual annual amount, to begin within 60 days after entry of a final order in this proceeding or July 1, 2011, whichever is later, but in any event retrospective to July 1, 2011. With the exception of Commission Staff, the Signatories agreed that the Stipulation resolves all outstanding appeals relating to municipal franchise fees in Docket No. 35717. Commission Staff takes no position on that issue or on Ordering Paragraph No. 4 in this Order; and
 - b. Within 60 days of the date of this Order, pay the municipalities in its service territory retrospective franchise fees (calculated from the date that the rates approved in Docket No. 35717 went into effect through July 1, 2011) and rate case expenses (through July 1, 2011) and recover those amounts, plus Oncor's rate case expenses balance (through July

² *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 35717, Order on Rehearing (Nov. 30, 2009).

³ *Oncor Electric Delivery Company LLC's Request For Approval Of Advanced Metering System (AMS) Deployment Plan And Request For Advanced Metering System (AMS) Surcharge*, Docket No. 35718, Order (Aug. 28, 2009).

⁴ *CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 38339.

1, 2011) over three years in a separate surcharge with no carrying charges. This surcharge will be set as part of this settlement to include that portion of the surcharge related to retrospective franchise fees, will be revised consistent with the final order in Docket No. 39239⁵ to include that portion of the surcharge related to rate case expenses, will be called the Regulatory Surcharge rider (Rider RS), and will be in addition to the rates set in this Docket No. 38929. Rate case expenses incurred after July 1, 2011 will be captured in a regulatory asset and preserved for recovery consideration in Oncor's next general base rate case.

27. Consistent with the Stipulation, the total amount of retrospective franchise fees, through July 2, 2011, plus interest at the Commission-established rate, is \$21,848,230. Rider RS included in the proposed Tariffs currently includes only these amounts for retrospective franchise fees. The Signatories agreed that the issue of the appropriate level of rate case expenses shall be resolved in Docket No. 39239, where that issue is currently pending. Once the Commission has issued an order approving the level of rate case expenses to be recovered, Oncor will make a compliance filing with the Commission to adjust Rider RS to include the approved rate case expenses. The Signatories agreed that the allocation factors to be used for Rider RS are reflected in the Supplemental Direct Testimony in Support of Stipulation of J. Michael Sherburne at Exhibit JMS-SD-3. Rider RS will take effect January 1, 2012
28. Consistent with the Stipulation, the Signatories agreed that the transmission cost of service shall be set as reflected in Exhibit A to the Stipulation and incorporated in the Tariffs attached to this Order.
29. Consistent with the Stipulation, Oncor will reinstate Rider SCUD without passing on any revenue shortfall to customers. If subsequent legislation eliminates or changes Rider SCUD, or upon a final, non-appealable court order that Rider SCUD is not applicable under current law, Oncor will change or eliminate the Rider SCUD discount consistent with any such legislation or court order. If Rider SCUD is changed or eliminated, any such change or elimination shall take effect prospectively following the effective date of applicable

⁵ *Application of Oncor Electric Delivery Company LLC for Rate Case Expense Severed from PUC Docket No. 38929, SOAH Docket No. 473-11-2330, Docket No. 39239 (pending).*

legislation or the issuance of a mandate by the court of last resort. No surcharge will be implemented or applied to recoup any Rider SCUD discount.

30. Consistent with the Stipulation, costs shall be allocated among the customer classes consistent with Exhibit A to the Stipulation. The Signatories agreed to the rate design and tariff language as proposed by Oncor in its RFP [which includes (1) eliminating the Transmission System Charge and thereby recovering all of Oncor's transmission expense through its TCRF as provided for in proposed Rider TCRF, and (2) modifications to the ratchet provisions in the Secondary >10 kW Class], subject to the following changes:
 - a. For TCRF, Oncor will use the 2010 unadjusted 4CP figures instead of the 2009 adjusted 4CP figures. The 2010 unadjusted 4CP figures are detailed in the Supplemental Direct Testimony in Support of Stipulation of J. Michael Sherburne at Exhibit JMS-SD-1; and
 - b. Changes to the tariff language, which have been as reflected in the Tariffs attached to this Order.

Accounting Matters/Effective Dates for Rates and Riders

31. Consistent with the Stipulation, Oncor will use the depreciation rates it proposed in its direct case in this proceeding. Those rates are the same as the rates approved in Docket No. 35717, with the exception that there is an increase in the depreciation rate for intangible plant assets, which increase is reflected in the agreed total annual cost of service. The new agreed annual amortization rate for Account 303 (intangible plant) is 12.56%.
32. Consistent with the Stipulation, the amount of meter-reading costs and ad valorem taxes included in Oncor's new rates, to the extent those costs are related to meters that are being replaced pursuant to Oncor's approved AMS Deployment Plan, are as follows:
 - a. Meter-reading costs – \$15,785,691; and
 - b. Ad valorem taxes – \$1,322,281.
33. Consistent with the Stipulation, Oncor will amortize its total regulatory asset balance as of June 30, 2010, as presented in the Company's RFP, which includes old (the net unamortized amount of what was approved in Docket No. 35717) and new [additional since Docket No. 35717 balances for self-insurance or "storm" reserve and pension/other postretirement benefits (OPEB)], over eight (8) years, with such revised amortization to begin on January 1, 2012. The amount of the new annual amortizations are as follows:
 - a. Self-insurance reserve – \$31,514,420 (\$252,115,362 balance / 8 years);

- b. Pensions – \$9,113,738 (\$72,909,900 balance / 8 years); and
- c. OPEBs – \$6,921,963 (\$55,375,706 balance / 8 years).

Until January 1, 2012, Oncor will continue the amortizations of its regulatory asset balances at the levels approved in Docket No. 35717. Oncor will continue annual accruals for pensions, OPEBs, and the self-insurance reserve at the levels approved in Docket No. 35717.

- 34. Consistent with the Stipulation, Oncor shall phase-in rates as follows:
 - a. A \$93,722,048 million base rate revenue increase to be effective the later of thirty (30) days after this Order is signed, or July 1, 2011 (Phase I Tariffs);
 - b. A \$43 million base rate revenue increase effective January 1, 2012 (Phase II Tariffs);
 - c. A Regulatory Surcharge effective January 1, 2012 (Rider RS); and
 - d. All new amortizations (self-insurance reserve and pensions/OPEBs) beginning January 1, 2012.

Other Matters

- 35. Consistent with the Stipulation, Oncor will not file a general base rate case before July 1, 2013; provided that, Oncor has no obligation to file a rate case on that or any other date, and Oncor is entitled to file interim rate updates and adjust rates as allowed by Texas law and Commission rules, including, but not limited to, interim TCOS updates, TCRF updates, Energy Efficiency Cost Recovery Factor updates, AMS Surcharge filings, and other investment or cost updates that may exist now or in the future as a result of legislative or Commission action. Nothing in this paragraph is intended to limit the ability of a regulatory authority to initiate an Oncor rate case at any time.
- 36. Consistent with the Stipulation, the Signatories agreed that the terms of the Stipulation are fair, reasonable, and in the public interest and agreed to support the prompt adoption of a final order in this docket consistent with the Stipulation and to defend the terms of the Stipulation.
- 37. Consistent with the Stipulation, the Signatories agreed that the Stipulation is binding on each of the Signatories only for the purpose of settling the issues as set forth herein and for no other purposes. The matters resolved herein are resolved on the basis of a compromise and settlement. Except to the extent that the Stipulation expressly governs a Signatory's rights and obligations for future periods, the Stipulation shall not be binding or precedential

on a Signatory outside of this proceeding except for a proceeding to enforce the terms of the Stipulation. The Signatories agreed that a Signatory's support of the resolution of this docket in accordance with the Stipulation may differ from its position or testimony regarding contested issues of law, policy, or fact in other proceedings before the Commission or other forum. A Signatory is under no obligation to take the same position as set out in the Stipulation in other proceedings not referenced in the Stipulation whether those dockets present the same or a different set of circumstances. A Signatory's agreement to entry of a final order of the Commission consistent with the Stipulation should not be regarded as an agreement to the appropriateness or correctness of any assumptions, methodology, or legal or regulatory principle that may have been employed in reaching the Stipulation.

Commission Approval

38. Considered in light of Oncor's requested rate increase, and that the Signatories had developed testimony taking positions significantly different from Oncor's pre-filed testimony, the Stipulation is the result of compromise from each party, and these efforts, as well as the overall result of the Stipulation viewed in light of the record evidence as a whole, support the reasonableness and benefits of the terms of the Stipulation.
39. The Stipulation, taken as a whole, is a just and reasonable resolution of the issues, results in just and reasonable rates, is supported by a preponderance of the evidence, is consistent with the relevant provisions of PURA, is in the public interest, and should be approved.

II. Conclusions of Law

1. Oncor is an electric utility as defined by PURA § 31.002, and, therefore, it is subject to the Commission's jurisdiction under PURA §§ 14.001, 32.001, 33.001, 33.002, 33.051, 35.004, and 36.102.
2. Oncor is a transmission and distribution utility as defined in PURA § 31.002(19).
3. SOAH exercised jurisdiction over this docket pursuant to PURA § 14.053 and TEX. GOV'T CODE ANN. § 2003.049.
4. Oncor provided adequate notice of this proceeding in accordance with PURA § 36.103 and P.U.C. PROC. R. 22.51.

5. Pursuant to PURA § 33.001, each municipality in Oncor's service area that has not ceded jurisdiction to the Commission has jurisdiction over the Company's application, which seeks to change rates for distribution services within each municipality.
6. The Commission has jurisdiction over an appeal from a municipality's rate proceeding pursuant to PURA § 33.051.
7. This docket was processed in accordance with the requirements of PURA, the Administrative Procedure Act, TEX. GOV'T CODE ANN. Chapter 2001, and Commission rules.
8. PURA § 36.651 does not require Oncor to provide a 20% discount to four-year state universities, upper-level institutions, Texas State Technical colleges, or colleges. Because Oncor has elected to provide this discount, it may not recoup the lost revenue by charging higher rates to other customer classes. See PURA § 36.007.
9. The affiliate expenses included in Oncor's rates under the Stipulation are consistent with the requirements of PURA § 36.058.
10. The self-insurance reserve provided for in the Stipulation is in compliance with PURA § 36.064 and Commission Substantive Rule 25.231(b)(1)(G).
11. Oncor's WACC of 8.14% based upon a 6.73% Cost of Debt, an authorized ROE of 10.25%, and an authorized regulatory capital structure of 60% long-term debt and 40% equity are consistent with the requirements of PURA §§ 36.051 and 36.052.
12. Oncor's overall revenues approved in this proceeding permit Oncor a reasonable opportunity to earn a reasonable return on its invested capital that is used and useful in providing service to the public in excess of its reasonable and necessary operating expenses in compliance with PURA § 36.051.
13. Oncor's rates, as approved in this proceeding, are just and reasonable in accordance with PURA § 36.003.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following order:

1. The Stipulation is approved, and Oncor's application, as modified by the Stipulation, is approved.
2. Oncor's Tariffs attached to this Order are approved.

3. Within ten days of this Order being signed, Oncor shall file new tariffs identical to those that are approved in this Order with an effective date the later of 30 days after the date this Order is signed, or July 1, 2011.
4. The Office of the Attorney General is directed to forego any additional appeals with respect to the franchise fees issues from Docket No. 35717, Oncor's most recent general base rate case.⁶
5. The entry of this Order consistent with the Stipulation does not indicate the Commission's endorsement of any principle or methodology that may underlie the Stipulation. Entry of this Order shall not be regarded as precedent as to the appropriateness of any principle or methodology underlying the Stipulation.
6. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted, are denied.

SIGNED AT AUSTIN, Texas on the _____ day of May, 2011.

PUBLIC UTILITY COMMISSION OF TEXAS

BARRY T. SMITHERMAN, CHAIRMAN

DONNA L. NELSON, COMMISSIONER

KENNETH W. ANDERSON, JR., COMMISSIONER

⁶ As stated in Finding of Fact No. 26(a), Commission Staff takes no position on this Ordering Paragraph No. 4.