



2008 Third Quarter Earnings Call

November 6, 2008

Oncor Electric Delivery

Forward Looking Statements

This presentation contains forward-looking statements, which are subject to various risks and uncertainties. Discussion of risks and uncertainties that could cause actual results to differ materially from management’s current projections, forecasts, estimates and expectations is contained in Oncor Electric Delivery Company LLC’s filings with the Securities and Exchange Commission (SEC). Specifically, Oncor makes reference to the section entitled “Risk Factors” in its annual and quarterly reports. In addition to the risks and uncertainties set forth in Oncor’s SEC filings, the forward-looking statements in this release could be affected by, among other things: prevailing governmental policies and regulatory actions; legal and administrative proceedings and settlements; weather conditions and other natural phenomena; changes in business strategy, development plans or vendor relationships; commercial bank market and capital market conditions; actions by credit rating agencies; unanticipated changes in interest rates or rates of inflation; unanticipated changes in operating expenses, liquidity needs and capital expenditures; changes in technology used by and services offered by Oncor; and significant changes in Oncor’s relationship with its employees. Any forward-looking statement speaks only as of the date on which it is made, and the company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events.

Regulation G

This presentation includes certain non-GAAP financial measures. A reconciliation of these measures to the most directly comparable GAAP measures is included in either this presentation or the appendix of the version of the slides included on the company’s website at www.oncor.com under the ‘News’ tab in the Investor Information section or filed with the SEC.

Today's Agenda

- **Business and Operational Highlights**

Bob Shapard
Chairman and CEO

- **Financial Overview**

David Davis
Chief Financial Officer

- **Q&A**

20% Equity Sale Closed

- **Transaction closed Nov 5.**
- **Oncor issued and sold 19.75% of its outstanding equity interests to a private investment group.**
- **Also sold an approximate 0.21% equity interest to certain members of Oncor's Management team.**
- **Sale continues to strengthen Oncor's Ring-Fencing measures.**
- **Proceeds of the sale of approximately \$1.253 billion were distributed ultimately to EFH Corp.**

Competitive Renewable Energy Zones (CREZ)

- In July, the PUCT selected Scenario 2 transmission plan (~18 GW transfer capacity), representing approximately \$5B in new transmission investment and totaling about 2200 miles of transmission.
- Oncor is seeking to build more than \$2B in transmission facilities totaling over 1000 miles.
- PUCT Hearing set for December 1-5.
- PUCT expected to award projects by March 2009.
- Settlement discussions will continue among PUCT staff, interested parties and intervenors.

Advanced Meter System (AMS) Filing

- **Oncor filed its AMS plan on May 28, 2008 and was approved by the Commission on August 29.**
- **Oncor's AMS initiative involves the installation of more than 3 million advanced meters across Oncor's service territory by the end of 2012.**
- **AMS enables consumers to have more visibility regarding their energy usage, allowing them greater control.**
- **AMS allows Oncor to provide better customer service through enhanced outage detection and restoration**
- **Requires capital investment of ~ \$690 million.**
- **The approved AMS surcharge amounts are \$2.21 per month for residential customers, and range from \$2.41 to \$5.18 for other customer classes.**
- **Oncor AMS monthly surcharge will commence January 2009 and continue over 11 years.**

2008 Rate Case

- **In compliance with commitments made in the PUCT 14.101 proceeding and its agreement with Cities, Oncor filed a system-wide rate case on June 27 based on a 2007 test year.**
- **Updated filing requests an increase of \$253 million per year.**
- **Currently in discovery phase of proceeding.**
- **Approved procedural schedule provides for hearing to commence on January 13, 2009.**
- **An order from the Public Utility Commission of Texas is not expected until June 2009.**

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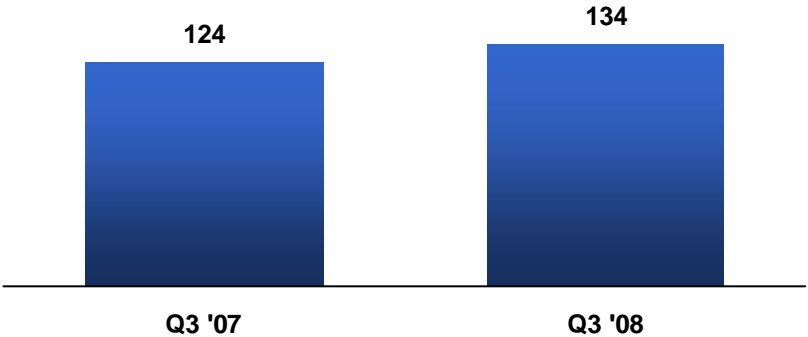
David Davis

Chief Financial Officer

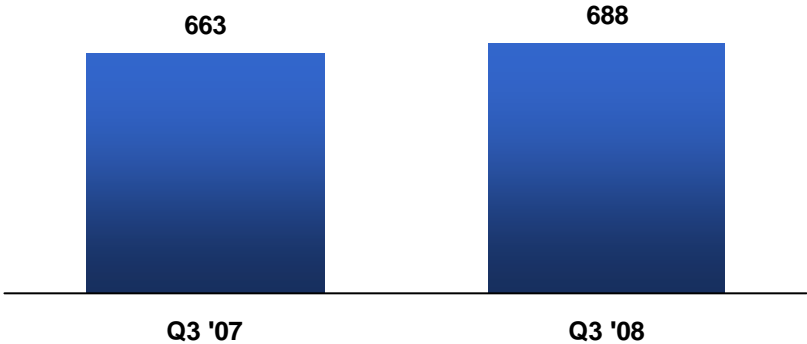
- **Q&A**

Summary of Financial Results¹

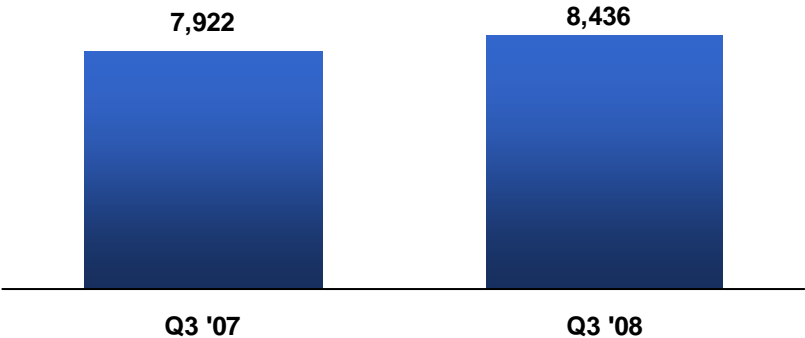
Net Income
Q3 '07 vs. Q3 '08; \$ millions



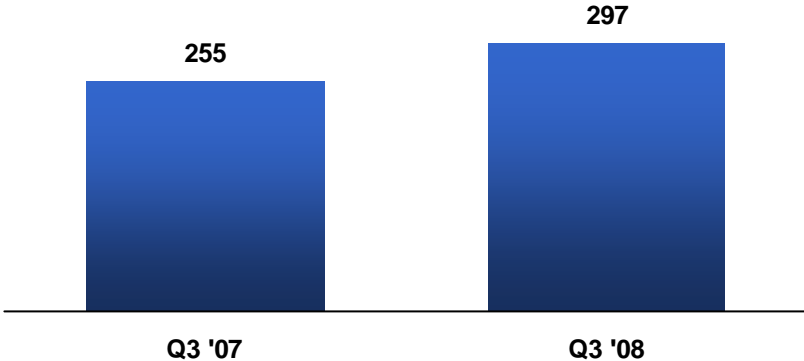
Operating Revenues
Q3 '07 vs. Q3 '08; \$ millions



PP&E, net
Q3 '07 vs. Q3 '08; \$ millions



Operating Cash Flow ²
Q3 '07 vs. Q3 '08; \$ millions

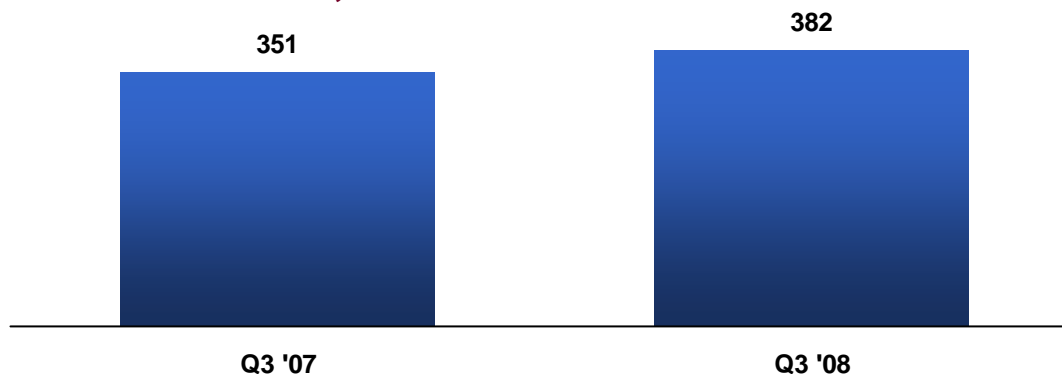


¹ Excludes impacts from transition bond debt and fair value accounting adjustments associated with the October 2007 merger.

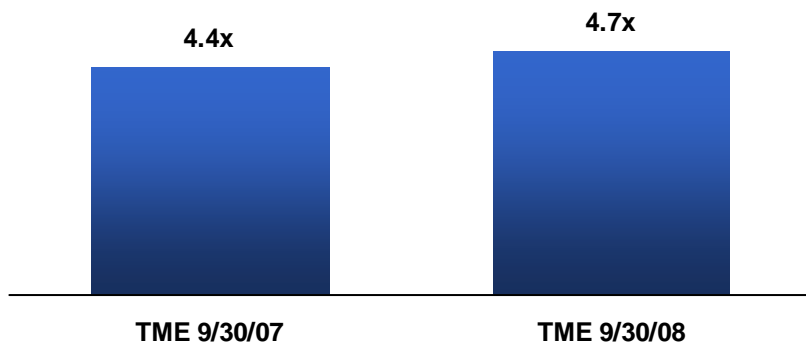
² Cash provided by operating activities

Credit Metrics Remained Strong

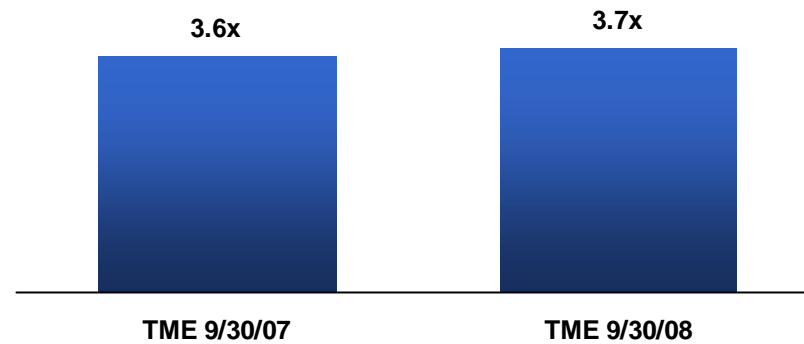
EBITDA
Q3 '07 vs. Q3 '08; \$ millions



EBITDA/Cash Interest
TME 9/30/07 vs. TME 9/30/08; Ratio



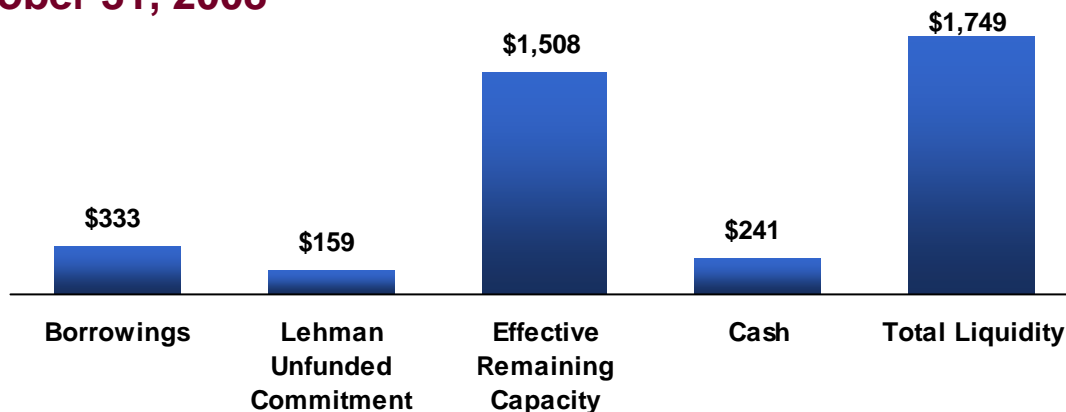
Debt/EBITDA
TME 9/30/07 vs. TME 9/30/08; Ratio



Excludes impacts from transition bond debt and fair value accounting adjustments associated with the October 2007 merger.

Oncor's Liquidity Position is Strong

\$2.0 billion Secured Revolving Credit Facility Balances at October 31, 2008



- **Oncor is well positioned to access cash.**
 - Issued \$1.5 billion in long-term debt in early September freeing up capacity under the Revolving Credit Facility.
 - \$2 billion Revolving Credit Facility gives Oncor immediate access to cash at favorable interest rates.
 - Historically, steady generation of cash from the business.
- **Oncor's ring-fencing insulates the Company from EFH credit.**

***Appendix -
Regulation G Reconciliations***

Financial Definitions

Measure	Definition
<i>Operating Cash Flow (GAAP)</i>	Cash provided by operating activities.
<i>Debt (non-GAAP)</i>	Total debt less transition bonds.
<i>Total Debt (GAAP)</i>	Long-term debt (including current portion) plus bank loans, advances from parent and commercial paper.
<i>EBITDA (non-GAAP)</i>	Income from continuing operations before interest expense and related charges, and income tax plus depreciation and amortization and special items. EBITDA is a measure used by Oncor to assess performance.
<i>Debt/EBITDA (non-GAAP)</i>	Total debt less transition bonds divided by EBITDA. Transition, or securitization, bonds are serviced by a regulatory transition charge on wires rates and are therefore excluded from debt in credit reviews. Debt / EBITDA is a measure used by Oncor to assess credit quality.
<i>EBITDA/Interest (non-GAAP)</i>	EBITDA divided by cash interest expense is a measure used by Oncor to assess credit quality.

Table 1: Oncor Net Income Reconciliation

Quarter Ended September 30, 2007 and 2008

\$ millions

	Q3 07	Q3 08
Net Income – Oncor	124	139
Less: Net Income – BondCo	-	-
Less: Effects of fair value accounting (after-tax)	-	(5)
Oncor Net Income, excluding BondCo	124	134

Table 2: Oncor Operating Revenues Reconciliation
Quarter Ended September 30, 2007 and 2008
\$ millions

	Q3 07	Q3 08
Operating Revenues – Oncor	705	728
Less: Operating Revenues – BondCo	(42)	(40)
Oncor Operating Revenues, excluding BondCo	663	688

Table 3: Oncor Operating Cash Flow Reconciliation
Quarter Ended September 30, 2007 and 2008
\$ millions

	Q3 07	Q3 08
Operating Cash Flow – Oncor	285	330
Less: Operating Cash Flow – BondCo	(30)	(33)
Oncor Operating Cash Flow, excluding BondCo	255	297

Table 4: Oncor EBITDA Reconciliation
Quarter Ended September 30, 2007 and 2008
\$ millions

	Q3 07	Q3 08
Net Income – Oncor	124	139
Plus: Depreciation & Amortization – Oncor	120	128
Plus: Income Taxes – Oncor	70	80
Plus: Interest Expense – Oncor	79	80
Equals: EBITDA - Oncor, including BondCo	393	427
Less: Net Income – BondCo	-	-
Depreciation & Amortization – BondCo	(30)	(29)
Income Taxes – BondCo	-	-
Interest Expense – BondCo	(12)	(11)
Effects of fair value accounting (after-tax)	-	(5)
Oncor EBITDA, excluding BondCo	351	382

Table 5: Oncor EBITDA Reconciliation
Twelve Months Ended September 30, 2007 and 2008
\$ millions

	9/30/07	9/30/08
Net Income – Oncor	325	372
Plus: Depreciation & Amortization – Oncor	469	479
Plus: Income Taxes – Oncor	170	224
Plus: Interest Expense – Oncor	306	308
Equals: EBITDA - Oncor, including BondCo	1,270	1,383
Less: Net Income – BondCo	(1)	-
Depreciation & Amortization – BondCo	(97)	(95)
Income Taxes – BondCo	-	-
Interest Expense – BondCo	(50)	(47)
Effects of fair value accounting (after-tax)	-	(25)
Oncor EBITDA, excluding BondCo	1,122	1,216

Table 6: Oncor Total Debt Reconciliation

Quarter Ended September 30, 2007 and 2008

\$ millions

	Q3 07	Q3 08
Short-term debt- Oncor	356	150
Long-term debt due currently – Oncor	899	102
Long-term debt, less due currently – Oncor	3,745	5,133
Total debt - Oncor, including BondCo	5,000	5,385
Less: Short-term debt – BondCo	-	-
Long-term debt due currently – BondCo	(99)	(102)
Long-term debt, less due currently – BondCo	(911)	(809)
Fair value adjustment – BondCo	-	9
Oncor Total Debt, excluding BondCo	3,990	4,483

Table 7: Oncor Interest And Debt Coverages
Twelve Months Ended September 30, 2007 and 2008
\$ millions

	Q3 07	Q3 08	Ref	Source
Interest expense and related charges – Oncor	306	308		
Amortization of debt fair value discount – Oncor	-	(3)		
Amortization of debt discount – Oncor	(7)	(6)		
AFUDC – Oncor	7	7		
Cash interest expense - Oncor	306	306		
Less: Interest expense – BondCo	(50)	(47)		
Oncor cash interest expense, excluding BondCo	256	259	A	
Oncor EBITDA, excluding BondCo	1,122	1,216	B	Table 5
Oncor Total Debt, excluding BondCo	3,990	4,483	C	Table 6
EBITDA/Interest – ratio (B / A)	4.4x	4.7x		
Debt/EBITDA – ratio (C / A)	3.6x	3.7x		