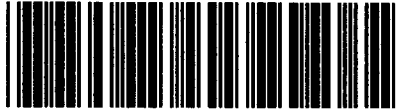




Control Number: 35639



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Addendum StartPage: 0

PUC DOCKET NO. 35639

**APPLICATION OF CENTERPOINT §
ENERGY HOUSTON ELECTRIC, LLC §
FOR APPROVAL OF §
DEPLOYMENT PLAN AND §
REQUEST FOR SURCHARGE FOR AN §
ADVANCED METERING SYSTEM §**

2008 OCT 16 PM 12:45
**BEFORE THE
FILING CLERK
PUBLIC UTILITY COMMISSION
OF TEXAS**

Contact: Paul Gastineau

**(713) 207-7347
Fax: (713) 207-9840**

October 16, 2008

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Request No: TCUC04-01

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
DOCKET NO. 35639**

TEXAS COAST UTILITIES COALITION

QUESTION:

Regarding Exhibit E at line 2 - New Systems and IT Infrastructure, please provide the following:

- a) Each separate Legacy system that is effected, modified, etc. due to integration with any of the New Systems and IT Infrastructure;
- b) The gross plant by vintage associated with each Legacy system identified in (a) above;
- c) The net plant by vintage year associated with each Legacy system noted in Part (a);
- d) The beginning date of amortization or depreciation for each vintage addition for each Legacy system reflected in (a);
- e) The remaining dollars to be recovered and remaining amortization period or remaining life associated with each Legacy vintage addition in Item (a) above, for which the Company is still accruing depreciation or amortization expense; and
- f) All plans to retire each separate vintage year investment of each separate Legacy system as well as the basis for the expected retirement date.

ANSWER:

a) Legacy systems impacted

1. CIS (Customer Information System)
2. TMH (Transaction Management Hub)
3. SORL (System of Record Lookup)
4. CRIP (CR Information Portal)
5. GIS 2000 common platform major upgrade
6. SAP
7. Outage
8. Several interfaces and Queues (Java Caps and MQ)
9. CMR

b) Infrastructure products impacted

1. Autosys (scheduling)
2. Tivoli (monitoring)
3. SOA (various)
4. TSM (space mangt & backup)

b-e) See the attached excel worksheet.

f) At this time there is no intention of retiring any of the systems listed in a.

Sponsor: Don Cortez/ Dan Hagen/Susan Neel

Responsive Documents:
None

CenterPoint Energy - Company Code 0003 - Net Book Value as of August 31, 2008

Vintage	System	Plant in Service as of August 31, 2008	Accumulated Reserve as of August 31, 2008	Net Book Value as of August 31, 2008	Amort. Rate	Estimated Monthly Amort.	Months to Fully Amort.	Amortization Status
2001	TMH, SORL, CMR	22,264,912.23	(22,264,912.23)	0.00	20%	371,081.87	0.00	Fully Amortized
Transaction Management Hub, System of Record Lookup, CMR - 2001		22,264,912.23	(22,264,912.23)	0.00				
2004	TMH, SORL, CMR	944,474.62	(692,614.71)	251,859.91	20%	15,741.24	16.00	December 2009
Transaction Management Hub, System of Record Lookup, CMR - 2004		944,474.62	(692,614.71)	251,859.91				
2005	TMH, SORL, CMR	4,120,238.73	(2,197,460.67)	1,922,778.06	20%	68,670.65	28.00	December 2010
2005	TMH, SORL, CMR	411,917.19	(219,689.17)	192,228.02	20%	6,865.29	28.00	December 2010
Transaction Management Hub, System of Record Lookup, CMR - 2005		4,532,155.92	(2,417,149.84)	2,115,006.08				
Transaction Management Hub, System of Record Lookup, CMR Total		27,741,542.77	(25,374,676.78)	2,366,865.99				
1998	SAP	504,400.49	(487,587.15)	16,813.34	10%	4,203.34	4.00	December 2008
1998	SAP	1,993,037.19	(1,939,736.74)	53,300.45	10%	16,608.64	3.21	December 2008
1998	SAP	2,507,027.77	(2,439,981.54)	67,046.23	10%	20,891.90	3.21	December 2008
1998	SAP	24,536,428.00	(24,536,428.00)	0.00	10%	204,470.23	0.00	Fully Amortized
1998	SAP	19,159,908.44	(17,632,193.14)	1,527,715.30	10%	159,665.90	9.57	June 2009
1998	SAP	689,357.15	(670,921.50)	18,435.65	10%	5,744.64	3.21	December 2008
SAP - 1998		49,390,159.04	(47,706,848.07)	1,683,310.97				
1999	SAP	1,980.37	(528.11)	1,452.26	10%	16.50	88.02	December 2015 (1)
1999	SAP	10,432,987.93	(9,158,947.99)	1,274,039.94	10%	86,941.57	14.65	November 2009
1999	SAP	20,823,282.84	(19,379,001.72)	1,444,281.12	10%	173,527.36	8.32	May 2009
1999	SAP	804,365.19	(714,269.19)	90,096.00	10%	6,703.04	13.44	October 2009
1999	SAP	798,229.10	(674,380.20)	123,848.90	10%	6,651.91	18.62	March 2010
1999	SAP	8,301,239.03	(7,316,957.70)	984,281.33	10%	69,176.99	14.23	November 2009
SAP - 1999		41,162,084.46	(37,244,084.91)	3,917,999.55				
2000	SAP	1,625,233.29	(1,399,504.42)	225,728.87	10%	13,543.61	16.67	January 2010
SAP - 2000		1,625,233.29	(1,399,504.42)	225,728.87				
2001	SAP	743,356.59	(545,128.18)	198,228.41	10%	6,194.64	32.00	April 2011
2001	SAP	247.99	(173.60)	74.39	10%	2.07	35.94	August 2011
2001	SAP	538,902.25	(359,268.20)	179,634.05	10%	4,490.85	40.00	December 2011
2001	SAP	180,721.17	(120,480.79)	60,240.38	10%	1,506.01	40.00	December 2011
2001	SAP	135,150.00	(90,100.00)	45,050.00	10%	1,126.25	40.00	December 2011
2001	SAP	322,216.25	(214,810.87)	107,405.38	10%	2,685.14	40.00	December 2011
2001	SAP	194,715.00	(129,810.00)	64,905.00	10%	1,622.63	40.00	December 2011
SAP - 2001		2,115,309.25	(1,459,771.64)	655,537.61				
2002	SAP	243,089.95	(151,931.25)	91,158.70	10%	2,025.75	45.00	May 2012
2002	SAP	108,200.50	(64,018.64)	44,181.86	10%	901.67	49.00	September 2012
2002	SAP	71,802.68	(41,884.91)	29,917.77	10%	598.36	50.00	October 2012
2002	SAP	46,982.00	(27,406.16)	19,575.84	10%	391.52	50.00	October 2012
2002	SAP	177,981.14	(103,822.32)	74,158.82	10%	1,483.18	50.00	October 2012
SAP - 2002		648,056.27	(389,063.28)	258,992.99				
2003	SAP	13,897.61	(7,527.87)	6,369.74	10%	115.81	55.00	March 2013
2003	SAP	16,408.11	(8,887.72)	7,520.39	10%	136.73	55.00	March 2013
2003	SAP	604,409.75	(604,409.75)	0.00	20%	10,073.50	0.00	Fully Amortized
SAP - 2003		634,715.47	(620,825.34)	13,890.13				
2004	SAP	2,114,417.96	(775,286.60)	1,339,131.36	10%	17,620.15	76.00	December 2014
SAP - 2004		2,114,417.96	(775,286.60)	1,339,131.36				
SAP Total		97,689,975.74	(89,595,384.26)	8,094,591.48				
2004	GIS	261,768.61	(226,866.13)	34,902.48	20%	4,362.81	8.00	April 2009
2004	GIS	202,167.38	(148,256.09)	53,911.29	20%	3,369.46	16.00	December 2009
GIS - 2004		463,935.99	(375,122.22)	88,813.77				
2005	GIS	96,850.21	(51,653.44)	45,196.77	20%	1,614.17	28.00	December 2010
GIS - 2005		96,850.21	(51,653.44)	45,196.77				
GIS Total		560,786.20	(426,775.66)	134,010.54				
Grand Total		125,992,304.71	(115,396,836.70)	10,595,468.01				

(1) This asset did not start amortizing until 2006 even though it was placed in service in 1999 as it was not set up with an amortization key.

Request No: TCUC04-02

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
DOCKET NO. 35639**

TEXAS COAST UTILITIES COALITION

QUESTION:

Please provide all documents, support, analyses, etc. associated with the establishment of the contingency percentages by category of costs that resulted in the Contingency for Unexpected Costs set forth in Exhibit E at line 15.

ANSWER:

Please see the attached file for a derivation of the Contingency for Unexpected Costs set forth in Exhibit E at line 15.

Sponsor: Paul Gastineau

Responsive Documents:
TCUC04-02.xlsx

Contingency for Unexpected Costs Development

<u>Cost Category</u>	<u>Cost Amount Considered (2009 -2013)</u>	<u>15% Contingency</u>
Prof Project Labor (Services) (CNP added \$ for PMO Support)	12,552,748	1,882,912
AMS System Integration	35,598,802	5,339,820
AMS Portal (Labor)	4,332,532	649,880
IT Infrastructure - IOSS	43,122,448	6,468,367
CNP Labor	9,079,591	1,361,939
Cell Relay Communications	17,311,752	2,596,763
Wireless Radio to Cell Relay Communications	85,309,559	12,796,434
Backhaul Communications	2,165,321	324,798
15 Minute Settlement	6,000,000	900,000
CIS	<u>14,000,000</u>	<u>2,100,000</u>
Total	229,472,754	34,420,913

Request No: TCUC04-03

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
DOCKET NO. 35639**

TEXAS COAST UTILITIES COALITION

QUESTION:

Regarding the 31.84% burden rate for employees reflected in the savings calculation on the attachment to the response to GCCC 3-15, please provide the following:

- a) A complete reconciliation between the 31.84% burden rate relied upon and the 39.42% or the equivalent rate the Company believes was reflected in the current CenterPoint gas case for the Texas Coast Division;
- b) The specific categories of burden reflected in establishment of the burden rate;
- c) The corresponding dollar amount assumed for each separate component of the burden rate and the underlying basis and support for such amounts; and
- d) If the burden rate was based on a system or other average value rather than specifically for the employees at issue in the savings calculation, then provide the burden rate by component associated with each of the different employee positions assumed to be eliminated in association with the implementation of advanced metering.

ANSWER:

The burden rates are company specific. Benefits are calculated for the employees in each company, and the rate is determined by dividing such benefits by the compensation (base salary plus bonus plus overtime) which is also specific to that company. The benefits and compensation are also specific to a calendar year. One company's burden rate will vary from year to year. So basically you can not compare the two rates since they cover different companies and different time periods. All of the people with specific information to make this reconciliation are in the field working on storm restoration.

Sponsor: Kenny Mercado

Responsive Documents:
None

Request No: TCUC04-04

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
DOCKET NO. 35639**

TEXAS COAST UTILITIES COALITION

QUESTION:

Please provide all support and documentation associated with the calculation of Revenue Increase Due to a Reduction in Theft, along with the basis for the annual figures set forth in the attachment to the response to GCCC 3-15.

ANSWER:

See the response to TCUC03-01U for the rationale and the numerical basis for the calculation of the annual figures for the Revenue Increase Due to a Reduction in Theft as set forth in the attachment to the response to GCCC03-15.

Sponsor: Kenny Mercado

Responsive Documents:
None

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on all parties of record in this proceeding by facsimile, hand delivery, e-mail, or United States first class mail on this 16th day of October, 2008.

Pandy Livingston