



Control Number: 38339



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SOAH DOCKET NO. 473-10-5001
PUC DOCKET NO. 38339

APPLICATION OF CENTERPOINT
ENERGY HOUSTON ELECTRIC, LLC
FOR AUTHORITY TO CHANGE
RATES

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PUBLIC UTILITY COMMISSION
OF TEXAS

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September 22, 2010

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**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 38339
SOAH DOCKET NO. 473-10-5001**

**TEXAS LEGAL SERVICES CENTERS AND TEXAS RATEPAYERS' ORGANIZATION TO SAVE
ENERGY
REQUEST NO.: TLSC/TXROSE04-01**

QUESTION:

Please explain the calculation CenterPoint made involving the EEP adjustment to test year billing determinants that is referenced at p. 20 of CenterPoint witness Sumners' direct testimony. In your explanation please identify the different steps made in the calculation of the EEP adjustment and the reasoning behind each step.

ANSWER:

The EEP adjustment to residential KWH was calculated as follows:

STEP1: Programs were identified that impacted the KWH usage of existing residential customers (i.e. customers who existed during the 2009 test year). The impact of all other programs is excluded.

STEP2: The KWH impacts of each program were assigned to one of two categories: (1) non-weather sensitive KWH or (2) air conditioning related KWH.

STEP3: The EEP KWH adjustment was calculated as 67% of the sum of the planned impacts of the relevant EEP programs in 2009, 2010 and 2011.

Thus, the equivalent of 2 years worth of EEP impacts is recognized to impact usage in the 2011 rate year. The purpose of the calculation is to reflect: (1) a portion of the impact of the relevant EEP programs implemented during 2009 since these treatments would not have been in effect for the entire year but will be fully realized in 2011, (2) the entire amount of 2010 programs that will impact 2011 usage, and (3) a portion of the relevant EEP programs implemented in 2011 since these treatments will only partially impact 2011 usage.

STEP4: The impacts of non-weather sensitive KWH were spread evenly across all 12 months while the KWH impacts relating to air conditioning were spread across months using cooling degree hours (and thus are concentrated primarily in the summer months). The monthly spreads do not in any way change the annual amount of KWH in the proposed EEP adjustment.

Sponsor: R. W. Sumners Jr.

Responsive Documents:
None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 38339
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**TEXAS LEGAL SERVICES CENTERS AND TEXAS RATEPAYERS' ORGANIZATION TO SAVE
ENERGY
REQUEST NO.: TLSC/TXROSE04-02**

QUESTION:

With reference to p. 13, lines 15-18 of the pre-filed testimony of CenterPoint witness Matthew Troxle, what is the level of customer usage a minimum plant would provide a residential customer on a monthly basis?

ANSWER:

Minimum plant for account 364, Poles, Towers, and Fixtures does not carry load since electricity does not pass through these components. Minimum plant for account 365, Overhead Conductors and Devices and account 368, Line Transformers, is calculated using a theoretical "zero load" concept, so theoretically provides for no usage to the customer.

Sponsor: Matthew A Troxle

Responsive Documents:
None

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PUC DOCKET NO. 38339
SOAH DOCKET NO. 473-10-5001**

**TEXAS LEGAL SERVICES CENTERS AND TEXAS RATEPAYERS' ORGANIZATION TO SAVE
ENERGY
REQUEST NO.: TLSC/TXROSE04-03**

QUESTION:

What is the cost related to the minimum plant investment discussed in CenterPoint direct witness Troxle's pre-filed testimony in total dollars amount and in relation to the total costs of the related complete plant investment?

ANSWER:

As shown at Bates Stamp page 6322, minimum plant for account 364 is 28% of total account 364. As shown at Bates Stamp page 6329, minimum plant for account 365 is 2% of total account 365. As shown at Bates Stamp page 6334, minimum plant for account 368 is 7% of total account 368.

Sponsor: Matthew A Troxle

Responsive Documents:
None

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**TEXAS LEGAL SERVICES CENTERS AND TEXAS RATEPAYERS' ORGANIZATION TO SAVE
ENERGY
REQUEST NO.: TLSC/TXROSE04-04**

QUESTION:

What costs are recovered in CenterPoint's proposed \$18.18 customer charge? In your response please identify the cost components such as billing, meters, minimum plant and the respective cost.

ANSWER:

As stated at Bates Stamp page 2412, the alternative customer charge if the proposed DCRF is not approved of \$18.18 is based on one-half of the total base revenue per customer per month of \$36.36 with a corresponding change to the Distribution Charge. Therefore, the \$18.18, consists of the \$1.68 per customer per month customer service and billing costs contained in the Customer Charge shown at Bates Stamp page 4322 and the remainder of \$16.50 consists of distribution function costs not defined by specific cost component.

Sponsor: Matthew A Troxle

Responsive Documents:
None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 38339
SOAH DOCKET NO. 473-10-5001**

**TEXAS LEGAL SERVICES CENTERS AND TEXAS RATEPAYERS' ORGANIZATION TO SAVE
ENERGY
REQUEST NO.: TLSC/TXROSE04-05**

QUESTION:

Why were there no EEP adjustments to the billing determinants of large commercial and industrial customers?

ANSWER:

EEP does not apply to transmission voltage industrial customers with only a few exceptions (non-profit and governmental) per the PUC rule for EEP. The distribution charges applicable to large commercial and non-transmission industrial customers (sometimes called "small industrial" customers) are based upon "Billing KVA" (inclusive of an 80% ratchet on non-coincident peak KVA used during the previous 11 months) while the transmission charges applicable to large commercial and non-transmission industrial customers are based upon "Non-Coincident Peak KVA" (NCP KVA) for NON-IDR customers and "4CP KVA" for IDR customers. Estimating the impacts of EEP programs on these metrics is not as straightforward as estimating the impacts of EEP programs on the metric (i.e. KWH) applicable to residential distribution and transmission charges.

Sponsor: R. W. Sumners Jr.

Responsive Documents:
None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
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**TEXAS LEGAL SERVICES CENTERS AND TEXAS RATEPAYERS' ORGANIZATION TO SAVE
ENERGY
REQUEST NO.: TLSC/TXROSE04-06**

QUESTION:

What usage studies have CenterPoint performed directly or on its behalf or has reviewed involving the effect of energy efficiency measures implemented by industrial and/or large commercial customers in the CenterPoint service territory?

ANSWER:

CenterPoint Energy has not conducted any usage studies involving the effect of energy efficiency measures implemented by industrial and/or large commercial customers.

Sponsor: Alan Ahrens

Responsive Documents:
None.

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
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**TEXAS LEGAL SERVICES CENTERS AND TEXAS RATEPAYERS' ORGANIZATION TO SAVE
ENERGY
REQUEST NO.: TLSC/TXROSE04-07**

QUESTION:

If the answer to Number 4-6 is no, please explain why no studies have been reviewed or prepared. In your explanation please address CenterPoint's opinion regarding the effectiveness of energy efficiency measures for large commercial and industrial customers located within the service territory of CenterPoint in reducing these customers demand and energy usage.

ANSWER:

CenterPoint Houston's energy efficiency programs are implemented pursuant to Substantive Rule 25.181, which does not require the Company to study the effects of energy efficiency by customer class. Generally speaking, of the commercial classes, the mid-size commercial customers have been the most active participants in the programs. Typically the large commercial and large industrial customers have capital available to them that allows them to more readily implement energy efficiency measures without the need for incentives from the local utilities. Therefore, these organizations will implement energy efficiency measures outside of the utility programs. CenterPoint does believe the "effectiveness" of the measures installed with or without utility incentives is still high.

Sponsor: Alan Ahrens

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 22nd day of September, 2010.

Alice A Hart