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P.U.C. DOCKET NO. 38339
SOAH DOCKET NO. 473-10-5001

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

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BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS

FILED
10 JUL 19 PM 2:50
PUBLIC UTILITY COMMISSION
HOUSTON, TEXAS

CITY OF HOUSTON'S LIST OF ISSUES

Pursuant to the Order of Referral entered in this docket by the Public Utility Commission of Texas (Commission) on June 30, 2010, the City of Houston ("COH") submits the following preliminary list of issues to be addressed in this proceeding. This list is preliminary in nature and not intended to be exhaustive of all the issues in this proceeding. COH has just recently begun its review of the issues in this case. COH, therefore, reserves the right to raise additional issues during the course of this proceeding that may arise from additional review of the application and pertinent authorities.

Issues List

1. What is CenterPoint's reasonable and necessary cost of providing transmission and distribution service, calculated in accordance with statutory and Commission requirements?
2. Are costs appropriately assigned to CenterPoint and its affiliates? Has CenterPoint met the standard for recovery of affiliate costs under PURA § 36.058 and Commission requirements?
3. Are all components of CenterPoint's rate base reasonable and necessary?
4. What is the appropriate and reasonable overall rate of return, return on equity, cost of debt, and capital structure for CenterPoint?
5. Are CenterPoint's costs properly functionalized into transmission, distribution, metering, and customer service categories?
6. What is the appropriate and reasonable cost allocation and rate design of the transmission and distribution rates?
7. Are CenterPoint's proposed rates just and reasonable and in compliance with all

relevant statutory Commission requirements?

8. Has CenterPoint appropriately accounted for all insurance proceeds, grants, or other offsets related to System Restoration Charges?
9. Has CenterPoint appropriately accounted for all grants or other offsets received for advanced metering systems?
10. Does CenterPoint's rate treatment of AMS surcharges comply with PURA and PUC Subst. Rules?
11. Are CenterPoint's proposed energy efficiency expenditures reasonable and necessary?
12. Does CenterPoint's rate treatment of energy efficiency expenditures comply with PURA and PUC Subst. Rules?
13. What are the reasonable depreciation rates to be used for determining transmission and distribution rates, and for determining future depreciation expenses for CenterPoint?
14. What are the reasonable, weather normalized test year customer class energy usage levels, peak demands and billing determinants to be used for establishing revenue levels and new rates?
15. Are CenterPoint's proposed changes to discretionary service charges, tariff terms and conditions and other charges and riders reasonable?
16. What are the reasonable rate case expenses incurred by CenterPoint and the municipalities for participation in this proceeding?

In addition, the City of Houston takes the position that the following issues should not be addressed in this proceeding:

1. Is CenterPoint's proposed Rider DCRF reasonable and necessary and in compliance with PURA and the Commission's procedural rules?
2. Is CenterPoint's proposed Rider System Hardening reasonable and necessary and in compliance with PURA and the Commission's procedural rules?

Respectfully submitted,

David Feldman
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ATTORNEYS FOR THE CITY OF HOUSTON

CERTIFICATE OF SERVICE

I hereby certify that on this the 13th day of July, 2010, a true and correct copy of the foregoing document was served upon on all parties of record by facsimile and/or First-Class Mail United States mail, postage paid.

Tammy Wavle-Shea with permission
Tammy Wavle-Shea *A.M.S.*