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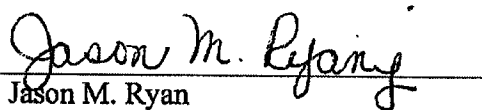
APPLICATION OF CENTERPOINT § BEFORE THE  
ENERGY HOUSTON ELECTRIC, LLC § STATE OFFICE OF  
FOR AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S  
ERRATA TO THE REBUTTAL TESTIMONY OF ALAN D. FELSENTHAL**

CenterPoint Energy Houston Electric, LLC submits the attached errata to the Rebuttal testimony of Alan D. Felsenthal filed on October 1, 2010.

The errata (i) corrects the amount of the adjusted consolidated tax savings adjustment provided on page 13 of Mr. Felsenthal's rebuttal testimony, (ii) deletes the prior inclusion of Houston Industries Inc. in 2002 on page 1 of rebuttal exhibit ADF-4, and (iii) updates other values on pages 2 through 6 of rebuttal exhibit ADF-4 affected by the prior inclusion of Houston Industries Inc. in 2002. In the attached spreadsheet, all changed cells have been highlighted.

Respectfully submitted,



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1 that not adjusting those years for this allocation would result in double  
2 counting of the same dollars;

- 3 • the CTSA imposed in Docket No. 12065 represented the income tax  
4 amounts themselves as opposed to the interest shield on the taxes.

5 Accordingly, the CTSA calculation through 2001 needs to consider this  
6 different regulatory treatment; and

- 7 • the transition bond taxable income and related losses should be treated  
8 consistently in the CTSA.

9 **Q. HAVE YOU COMPUTED A REVISED CTSA ADJUSTMENT BASED**  
10 **UPON MS. BLUMENTHAL'S CALCULATION AND THE ABOVE**  
11 **THREE REQUIRED ADJUSTMENTS?**

12 **A.** Yes. With these changes, Ms. Blumenthal's revised CTSA Adjustment for the  
13 years 1994 – 2008 becomes \$10.39.8 million. This amount has not been grossed  
14 up because, as previously stated, I believe that it is inappropriate to gross up  
15 interest related amounts. I will explain each of the adjustments in detail below.

16 **Q. WOULD YOU PLEASE EXPLAIN THE 2004 AND 2005 PARENT**  
17 **COMPANY LOSS ALLOCATION ADJUSTMENT YOU HAVE MADE ON**  
18 **REBUTTAL EXHIBIT ADF-4?**

19 **A.** Yes. The allocation of the parent company loss for 2004 and 2005 (see Rebuttal  
20 Exhibit ADF-9, pages 1-3) is reflected in separate columns in Rebuttal Exhibit  
21 ADF-4. These columns sum to zero because the parent company loss in each of  
22 these years was allocated to those entities with positive taxable income in

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 6<sup>th</sup> day of October, 2010.

Linda A Johnston