



Control Number: 42560



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SOAH DOCKET NO. 473-14-3897
PUC DOCKET NO. 42560

APPLICATION OF CENTERPOINT §
ENERGY HOUSTON ELECTRIC, LLC §
FOR APPROVAL TO AN §
ADJUSTMENT TO ITS ENERGY §
EFFICIENCY COST RECOVERY §
FACTOR §

BEFORE THE
STATE OFFICE OF
ADMINISTRATIVE HEARINGS

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June 19, 2014

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**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
DOCKET NO. 42560
SOAH DOCKET NO. 473-14-3897**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC02-01**

QUESTION:

Please provide calendar year 2013 actual historical energy usage in kWh for: (1) the 37 industrial customers taking service at distribution voltage that had submitted identification notice pursuant to subsection (w) of the EECRF rule and were opted out of the Company's 2014 energy efficiency programs; and (2) the 72 industrial customers taking service at distribution voltage that have submitted identification notice pursuant to subsection (w) of the EECRF rule and the Company proposes to opt out of the Company's 2015 energy efficiency programs. For each customer group, please break out the historical billing units according to the Company's rate classes.

ANSWER:

See attachment PUC02-01 Opt-Out Listing Per Customer Per Rate Class.xlsx. **The file is confidential and will be provided to you separately under seal pursuant to the Protective Order issued in this docket.**

SPONSOR:

Joseph Jernigan

RESPONSIVE DOCUMENTS:

PUC02-01 Opt-Out Listing Per Customer Per Rate Class (confidential).xlsx

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
DOCKET NO. 42560
SOAH DOCKET NO. 473-14-3897**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC02-02**

QUESTION:

With respect to (a) the 72 industrial customers taking service at distribution voltage that the Company plans to exclude from its EECRF starting with program year 2015, and (b) the 37 industrial customers taking service at distribution voltage that had submitted identification notice pursuant to subsection (w) of the EECRF rule and were opted out of the Company's 2014 energy efficiency programs, please provide the dollar amount of incentives paid to each of those customer groups in program year 2013, if any. Please provide a breakout of the incentive payments according to: (1) the Company's rate classes; and (2) the Company's 2013 EE programs.

ANSWER:

Of the 72 industrial customers taking service at distribution voltage that the Company plans to exclude from its EECRF starting with program year 2015 and the 37 industrial customers taking service at distribution voltage that the Company plans to exclude from its EECRF starting with program year 2014, zero (0) customers participated in programs or were paid incentives in the 2013 program year.

SPONSOR:
Jarrett Simon

RESPONSIVE DOCUMENTS:
None

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
DOCKET NO. 42560
SOAH DOCKET NO. 473-14-3897

PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC02-03

QUESTION:

For each rate class that received EE services from the Company in program year 2013, please provide: (1) the actual dollar amount of EE incentive payments received by customers in that rate class in program year 2013; (2) the actual amounts of EE administrative costs assigned to that rate class in program year 2013; and (3) the actual amount of EE research & development expenses assigned to that rate class in program year 2013. Please break out the incentive payments according to the Company's 2013 EE programs.

ANSWER:

1) For the residential rate class, please see Exhibit JES-1 Table 10. The company has not performed the requested analysis as to the 2013 incentive expenditures for commercial rate classes. Exhibit JFJ-1 Schedule D shows total 2013 kW savings per program, per rate class. These savings are used to calculate the percentage of kW savings per program, per rate class, shown in the middle table of Exhibit JFJ-1 Schedule F. The company uses these percentages and multiplies by the total spend per program to allocate program costs to each rate class. Allocated spending per program, per rate class is also shown in Exhibit JFJ-1 Schedule F. See the Company's response to PUC02-04 for more information regarding cost allocation across rate classes.

2) For the residential rate class, please see Exhibit JES-1 Table 10. The company has not performed the requested analysis as to the 2013 administrative expenditures for commercial rate classes. Exhibit JFJ-1 Schedule D shows total 2013 kW savings per program, per rate class. These savings are used to calculate the percentage of kW savings per program, per rate class, shown in the middle table of Exhibit JFJ-1 Schedule F. The company uses these percentages and multiplies by the total spend per program to allocate program costs to each rate class. Allocated spending per program, per rate class is also shown in Exhibit JFJ-1 Schedule F. See the Company's response to PUC02-04 for more information regarding cost allocation across rate classes.

3) All 2013 Research and Development (R&D) projects were residential; therefore the R&D budget was solely assigned to the residential rate class.

SPONSOR:

Jarrett Simon

RESPONSIVE DOCUMENTS:

None

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
DOCKET NO. 42560
SOAH DOCKET NO. 473-14-3897

PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC02-04

QUESTION:

Please refer to the Company's response to Staff 2-3. Please: (1) identify any amounts that are allocated among the rate classes rather than directly assigned to a rate class; (2) provide a description of all EE cost class allocation methodologies followed by the Company; and (3) provide a narrative explanation of the Company's rationale for each EE cost class allocation methodology.

ANSWER:

1) All residential costs are directly assigned based on actual program expenditures. Commercial costs are allocated to rate classes based on the percentage of kW savings associated with each rate class and the total program expenditures.

2) Budgeting for programs is performed on a program level and programs are designed to serve one of three customer classes, Residential, Commercial, or Hard-to-Reach. Therefore, at the end of the program year, funding spent in each program is allocated among the rate classes that are served by each program. Department labor is allocated to programs based on Company personnel working on each program, program expenses charged to each program throughout the year are added to the admin expenses on a program basis, and finally energy efficiency department expenses are allocated to each program based on program incentive spending throughout the program year. Those funds are then allocated to the rate classes, by program, based on rate class participation.

3) For this case, the Company has allocated its administrative costs in proportion to program expenditures and similarly allocated residential-specific R&D costs to the residential class programs. This is because the Company has program managers and outside consultants that manage multiple energy efficiency programs. All program managers and consultants manage programs in multiple rate classes. Similarly, office space expenses and inspection vehicle maintenance costs are included in the Company's administrative costs. That office space and those vehicles are used by the Company's fifteen full-time energy efficiency employees for the benefit of all the energy efficiency programs. Also, the Company has commercial customers receiving incentives for projects that may include multiple premises in more than one rate class. Direct assignment of these costs is not possible due to these facts.

SPONSOR:

Jarrett Simon

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
DOCKET NO. 42560
SOAH DOCKET NO. 473-14-3897**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC02-05**

QUESTION:

Provide a narrative explanation of the methodology the Company followed to identify: (1) for-profit entities engaged in an industrial process that receive service at transmission voltage; and (2) "Transmission Non-Profit Governmental" customers.

ANSWER:

In 2009 when CenterPoint Energy applied for their first EECRF, the EECRF rules excluded transmission customers except non-profit governmental from participation in the energy efficiency programs. The Load Forecasting section of the Finance department and Transmission Accounts section of the High-Power Delivery department for CenterPoint reviewed the entire transmission voltage customer base (of approximately 180 customers) and identified those customers that were non-profit governmental. Those customers not obvious to be non-profit governmental were researched to make a final determination of their status. Of the approximately 180 customers, 11 were identified as non-profit governmental. The remaining customers within the transmission voltage customer base are for-profit customers. No additional non-profit, governmental customers have been added to the customer base since the initial list of 11 were identified.

SPONSOR:

Joseph Jernigan

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 19th day of June, 2014.


