



Control Number: 44572



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SOAH DOCKET NO. 473-15-3257
PUC DOCKET NO. 44572

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APPLICATION OF CENTERPOINT §
ENERGY HOUSTON ELECTRIC, LLC §
FOR APPROVAL OF A DISTRIBUTION §
COST RECOVERY FACTOR §
PURSUANT TO P.U.C. SUBST. R. 25.243 §

PUBLIC UTILITY COMMISSION
FILING CLERK
BEFORE THE
STATE OFFICE OF
ADMINISTRATIVE HEARINGS

May 18, 2015

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**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 44572
SOAH DOCKET NO. 473-15-3257**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPC01-01**

QUESTION:

Please provide a complete reconciliation between the 8.90% equity return shown on CEHE's 2014 EMR Schedule III, column 3 and the 15.829% 2014 year-end equity return calculated from CEHE's 2014 10-K.

ANSWER:

CenterPoint Energy Houston Electric, LLC's (CEHE) Consolidated 10K does not identify the 15.829% referenced in the request. Rather, the OPC has calculated the 2014 year-end equity return by taking net income divided by total member's equity from the Statements of Consolidated Member's Equity in CEHE's 2014 10-K.

The Earned Return on Ending Equity of 8.90% from the Company's 2014 EMR (Schedule III, line 29, column 3) is a formula established in the Earning Report Microsoft Excel template.

Because the 2014 EMR was prepared according to the Earning Report General Instructions, the Company has not reconciled to the OPC's 15.829% calculation.

SPONSOR:

Mary Kirk

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 44572
SOAH DOCKET NO. 473-15-3257**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPC01-02**

QUESTION:

Regarding the Company's 2014 EMR O&M expenses for wholesale transmission, please explain how the Company differentiates between wholesale transmission and retail T&D O&M expenses. How are O&M costs assigned and/or allocated to the wholesale transmission function? How are the wholesale transmission O&M costs differentiated in CEHE's accounting system? Please provide all documentation supporting your response.

ANSWER:

Please see Schedule II and the supporting WP/ Schedule II -1 through WP/ Schedule II -3 of the 2014 EMR for differentiating between wholesale transmission and retail T&D O&M expenses. Transmission operations and maintenance expenses are recorded in the Company's books and records according to the FERC Operation and Maintenance Expense Chart of Accounts, FERC accounts 560-574. Certain expenses, such as station expense, are further allocated between wholesale transmission and retail T&D according to allocation methodologies established in Docket No. 38339. Administrative and general expenses are allocated between wholesale transmission and retail T&D according to allocation methodologies established in Docket No. 38339. Please see WP/ 2014 EMR Allocation Factors.

SPONSOR:

Mary Kirk

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 44572
SOAH DOCKET NO. 473-15-3257**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPC01-03**

QUESTION:

Please provide 2014 total company, total electric Texas jurisdictional, wholesale transmission and retail T&D year-end returns on equity including AFUDC earnings.

ANSWER:

The Earned Return on Ending Equity in the EMR is a formula established in the Earning Report Microsoft Excel template and does not include AFUDC earnings. Therefore, the Company has not made that calculation.

SPONSOR:

Mary Kirk

RESPONSIVE DOCUMENTS:

None

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on all parties of record in this proceeding via email, fax, hand delivery or U.S. first class mail on this the 18th day of May 2015.

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