



Control Number: 48226



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SOAH DOCKET NO. 473-18-3046
PUC DOCKET NO. 48226

2018 MAY 22 AM 11:56

APPLICATION OF CENTERPOINT § BEFORE THE STATE OFFICE
ENERGY HOUSTON ELECTRIC, LLC §
FOR APPROVAL TO AMEND ITS § OF
DISTRIBUTION COST RECOVERY §
FACTOR § ADMINISTRATIVE HEARINGS

May 22, 2018

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**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 48226
SOAH DOCKET NO. 473-18-3046**

**CITY OF HOUSTON
REQUEST NO.: COH04-01**

QUESTION:

Reference the Company's response to COH01-02, provide the total number of entries for projects included in Exhibits SCG-2 through SCG-9 and explain how the Company determined that no O&M expenses were included in the amounts provided in these exhibits without conducting an audit.

ANSWER:

There are fifty-two project entries that involve capital repairs, rehabilitation or maintenance in the project lists in SCG-2 through SCG-9.

Reference Greenley Direct Testimony: Pages 9-12 describe the processes and procedures that are undertaken to ensure that the costs included are capitalized properly and that no O&M expenses are included in our filings.

SPONSOR:

Steve Greenley

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 48226
SOAH DOCKET NO. 473-18-3046**

**CITY OF HOUSTON
REQUEST NO.: COH04-02**

QUESTION:

Provide cites to the specific sections of the DCRF rule or to PURA that supports the Company's proposed use of the alternative rate of return for determining the FIT rate case (FIT RC) term of the DCRF formula.

ANSWER:

For FITRC, which is associated with incremental revenue requirement due to change in distribution invested capital, no restatement has been made by the Company from Docket No. 38339.

Regarding the growth adjustment and FITRC-Class, please see the testimony of Ms. BurrIDGE-Kowalik pages 11 through 13 and 16 through 18 for the citation to the DCRF rule regarding the requirement of the use of the Alternative ROR for the restatement of return (DIC RC-Class * RORAT in DISREV RC- Class per 25.243(d)) within the growth adjustment and the relationship of this to FITRC-Class, also within the growth adjustment.

SPONSOR:

Laurie BurrIDGE-Kowalik

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 48226
SOAH DOCKET NO. 473-18-3046**

**CITY OF HOUSTON
REQUEST NO.: COH04-03**

QUESTION:

Reference the Company's response to COH01-08, provide the workpapers and source documentation from PUC Docket No. 38339 that provides the approved allocation percentages for FERC Accounts 303, 391 and 397 along with any analysis that demonstrates why the Company believes it is appropriate to use these allocators for determining the portion of costs in these accounts are distribution related and therefore includable in the DCRF.

ANSWER:

See attachment titled "COH04-03 Attachment 1" for workpaper "Acct 39702 worksheet WP II-F 2AM" from Docket 38339 with the allocations by FERC. The EMP NUM allocator is applied to 303, 391 and 397 for those costs that support both transmission and distribution.

SPONSOR:

Steve Greenley and Mary Kirk

RESPONSIVE DOCUMENTS:

COH04-03 Attachment 1.xlsx

CenterPoint Energy Houston Electric
 Employee Number Allocation for Account 38702 as of December 31, 2009

	TRAN	DIST	MET	TDCS	
From p. 3 & 4 →	237 (D)	1,666 (A)	561 (E)	127 (C)	2,591
Substation	150 (E)	106 (F)			256
	387	1,772	561	127	2,847

13.59% ✓ 62.24% ✓ 19.71% ✓ 4.46% ✓ 1

✓ To WP/II-F/2AN/1-2 of 2

Functional Area	Cost Center Description	Total
Distribution	Operations-Skills Training	5
	Operations-Skills Training	3
	P&L Distribution Purchasing	14
	P&L Distribution Purchasing	1
	Distribution Engineering & Service	2
	Distribution Engineering & Service	4
	Project Management - MGR	3
	O/H Feeder Development/Road Widening	17
	URD/Joint Trench	21
	Div SR VP Electric Operations	4
	Div SR VP Electric Operations	1
	Purchasing & Logistics Administration	2
	Purchasing & Logistics Administration	1
	P&L South Houston Warehouse	3
	P&L Galveston Warehouse	2
	P&L Bellaire Warehouse	3
	P&L H O Clark Warehouse	3
	P&L Spring Branch Warehouse	2
	P&L Fort Bend Warehouse	2
	P&L Katy Warehouse	2
	P&L Sugar Land Warehouse	3
	P&L Cypress Warehouse	3
	P&L Baytown Warehouse	3
	P&L Humble Warehouse	2
	P&L Central Transportation	2
	P&L Greenspoint Warehouse	4
	P&L Underground Warehouse	5
	P&L Central Warehouse Operations	40
	P&L Central Warehouse Operations	2
	P&L Distribution Logistics Ops Admin	4
	FM Special Services	6
	Safety, Environ Technical Training Admin	1
	Distribution Dispatching, MGR	1
	Troubleshooters	27
	Troubleshooters	6
	Distribution Skills Training	4
	Distribution Dispatching Operations	38
	Distribution Dispatching Operations	5
	Outage Management & Dispatching Systems	13
	Delivery Group Environmental	8
	Street Light Design	10
	Major Underground, MGR	9
	UG Operations Relay	32
	UG Operations Relay	2
	Fleet S/C Garages	36
	Fleet S/C Garages	5
	Fleet Central Garage	17
	Fleet Central Garage	5
	Central Shops	16
	Central Shops	1
	Radio & Communications	15
	Radio & Communications	1
	Sugar Land Service Consultants	7
	Katy/Sealy Service Consultants	6
	HO Clarke Service Consultants	9
	Katy/Sealy Service Consultants	11
	Field Operations Support	10
	Greenspoint Service Consultants	10
	Humble Service Consultants	6
	S Houston Service Consultants	8
	Baytown Service Consultants	12
	Revenue Protection	35
	Field Operations - ITRON	3
	Bellaire Power Consultants	15

Functional Area	Cost Center Description	Total
Substation	VP, Transmission & Substation Operation	1
	VP, Transmission & Substation Operation	4
	P&L Substation Support	4
	P&L Transmission-Substation Admin	3
	Substation Operations, MGR	4
	Substation Operations, MGR	1
	Substation Performance, MGR	13
	Field Operations	197
	Field Operations	18
	Substation Project Construction	7
	Substation Projects, MGR	3
	Substation Projects, MGR	1
Substation Total		256
Grand Total		256

T	D	
150	106	256
58.57%	41.63%	

Bellaire Power Consultants	1
Mobile Data	35
Baytown/Channelview, MGR	1
Greenspoint Area	1
Bellaire Area Manager	1
Sugar Land Area Manager	1
Galveston Area Manager	1
Regions Administration	2
Regions Administration	11
Katy/Sealy Area Manager	1
South Houston Area Manager	1
Meter Reading - Fort Bend	15
Meter Reading - Fort Bend	1
UG Operations Cable	32
UG Operations Cable	3
Safety	10
Public Safety	4
Line Clearance Operations	10
HR-Houston Electric	5
HR-Houston Electric	1
H O Clarke Area Manager	1
Bellaire - Center Operations	72
Bellaire - Center Operations	8
H O Clarke - Center Operations	56
H O Clarke - Center Operations	7
Spring Branch - Center Operations	48
Spring Branch - Center Operations	5
Fort Bend/Wharton Center Operations	39
Fort Bend/Wharton Center Operations	6
Katy/Sealy - Center Operations	38
Katy/Sealy - Center Operations	4
Sugar Land - Center Operations	55
Sugar Land - Center Operations	8
Service Consultants Fort Bend	4
Service Consultants Spring Branch	7
South Houston - Center Operations	52
South Houston - Center Operations	8
Galveston-Center Operations	28
Galveston-Center Operations	6
Service Consultants Galveston	5
Baytown/Channelview - Center Operations	53
Baytown/Channelview - Center Operations	6
Humble - Center Operations	37
Humble - Center Operations	5
Greenspoint - Center Operations	63
Greenspoint - Center Operations	7
Cypress - Center Operations	54
Cypress - Center Operations	5
Telecom Delivery Services	3
Telecom Delivery Services	1
Telecom Services Admin & Mgmt	1
Telecom Services Admin & Mgmt	1
GIS System Administration	3
GIS Business Solutions	6
Facilities/Joint Use/Special Project	6
GIS Programming	5
GIS Programming	2
Financial Planning & Analysis	5
Financial Planning & Analysis	1
Reg Ops Tech Administrative Support	1
Distribution Planning	19
Distribution Planning	1
Distribution Planning	1
Distribution Planning	1
Distribution System Reliability	17
Distribution System Reliability	1
Distribution System Reliability	1
UG Operations Cable	44
UG Operations Cable	5
Reliability Analysis & Technical Support	13

	UG Analysis & Design	19	
	UG Analysis & Design	1	
	UG Key Accounts	8	
	System Protection	4	
	System Protection	1	
	Distribution Standards & Materials	18	
	Distribution Standards & Materials	1	
	Electric Distribution Engineering	1	
	Reliability Reporting & Reg Support	2	
	Electric Distribution Engineering	66	
	Electric Distribution Engineering	1	
	Electric Distribution Engineering	2	
	Underground Locating	8	
	Underground Locating Admin	1	
	Sonet & Microwave Operations	7	
	Telecommunication Design	10	
	Telecommunication Design	1	
	Distribution Total	1,686	0.642994983
Metering	Purchasing & Logistics Meter Lab	2	
	Central Metering	39	
	Central Metering	4	
	Meter Reading IDR & Meter Edit	7	
	Meter Reading	271	
	Meter Reading	14	
	Meter Reading	1	
	Baytown Meter Reading	14	
	Baytown Meter Reading	1	
	Brazosport Meter Readers	9	
	Brazosport Meter Readers	1	
	Cypress Meter Readers	22	
	Cypress Meter Readers	1	
	Meter Reading - Galveston	19	
	Meter Reading - Galveston	1	
	AMS Communications -Operations	4	
	AMS Project Management Office	1	
	AMS Project Management Office	4	
	AMS Project Management Office	3	
	AMS Metering	6	
	AMS Metering	1	
	AMS Communications	3	
	AMS Communications	11	
	AMS Systems	4	
	AMS Systems	1	
	AMS End-to-End Diagnostics	2	
	AMS End-to-End Diagnostics	1	
	AMS Operatons	1	
	AMS Process Change	3	
	AMS Process Change	1	
	AMS Retail Market	12	
	AMS Retail Market	1	
	AMS Planning, Tracking and Integration	4	
	AMS Planning, Tracking and Integration	2	
	FSR Bellaire	13	
	FSR HO Clarke	9	
	FSR Fort Bend	3	
	FSR Katy	3	
	FSR Spring Branch	4	
	FSR Sugar Land	7	
	FSR South Houston	10	
	FSR Baytown	9	
	FSR Galveston	3	
	FSR Greenspoint	11	
	FSR Cypress	6	
	FSR Humble	5	
	Address and Meter Routing	7	
	Metering Total	561	0.216518719
TDCS	VP-Community Relations	18	
	VP-Community Relations	1	
	Competitive Retailer Group	10	
	Transaction Management	54	

	Transaction Management	1	
	Business Development	10	
	Business Development	3	
	Customer Service Support	3	
	Technical Services	11	
	Technical Services	2	
	Issues Resolution	14	
	Business Process	1	
	Business Process	2	
	Customer Service Total	127	0.049015824
	Transmission	5	
	P&L Transmission Ops(So. Hou. Warehouse)	5	
	Transmission Field Operations	60	
	Transmission Field Operations	5	
	Transmission Operations, MGR	4	
	Transmission Operations, MGR	1	
	Transmission Construction	2	
	Control Systems, MGR	4	
	Systems Development	12	
	Transmission Design & Project Engineering	14	
	SSP Engineering	18	
	SSP Engineering	1	
	System Operations	18	
	Systems Operation	16	
	Real Time Operations, MGR	46	
	Transmission Control, MGR	1	
	Transmission Control, MGR	2	
	Transmission Planning	22	
	Transmission Planning	4	
	Transmission Planning	1	
	Transmission Planning	1	
	Transmission Total	237	0.091470475
	Grand Total	2,591	1.00

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 48226
SOAH DOCKET NO. 473-18-3046**

**CITY OF HOUSTON
REQUEST NO.: COH04-04**

QUESTION:

Reference the Company's response to COH01-08 Attachment 1, explain how CEHE determined which of the 8 provided categorization reasons and allocation methods were applicable to each project, and provide workpapers supporting the development of the resultant distribution allocation percentages for each project included in the Company's DCRF request in this case.

ANSWER:

Each transaction that make up the projects is reviewed by subject matter experts to determine the categorization and allocation methods to be applied to the projects. The subject matter experts rely on their experience and knowledge of the various projects and the assigned FERC account as well as information contained in the work order descriptions and details to determine the proper categorization for the transactions within the projects. Projects that support distribution only are included and fully allocated to the distribution function. Projects that are not eligible for DCRF recovery or solely support the transmission function are excluded from the DCRF. Substation projects that support both the distribution and transmission functions are allocated based on Plant in Service value of the electrical equipment within the substation that the project transaction supported which is the same allocation methodology used in Docket 38339. These allocations are contained in the attached titled "COH04-04 Attachment 1.xlsx. Non-substation project transactions that support both distribution and transmission are allocated using percentages from Docket 38339. Some substation projects support distribution and transmission equally and are allocated at 50% for each function. Some substation projects support the overall substation system rather than a specific substation and are allocated based on the aggregated asset allocations for all the substations in attachment "COH04-04 Attachment 1.xlsx".

The attachment COH04-04 Attachment 1.xlsx is voluminous and will be made available in the Houston and Austin library. Please contact Alice Hart at 713-207-5322 in Houston or Joyce Strickland at 512-397-3033 in Austin to make an appointment to view the material.

SPONSOR:

Steve Greenley and Mary Kirk

RESPONSIVE DOCUMENTS:

COH04-04 Attachment 1.xlsx

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 transmission, hand delivery, electronic mail, overnight delivery or United States first class mail on this 22nd day of May, 2018.

Pamela Quinaplan

CD ATTACHED

**PLEASE CONTACT CENTRAL
RECORDS AT
512-936-7180**