



Control Number: 49421



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SOAH DOCKET NO. 473-19-3864
DOCKET NO. 49421

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

AFFIDAVIT OF ALICE S. HART

Before me, the undersigned notary public, this day personally appeared Alice S. Hart, to me known, who being duly sworn according to the law deposes and says: My name is Alice S. Hart. I am of legal age and a resident of the State of Texas. I am employed by CenterPoint Energy as Supervisor – Regulatory Support Services. I have first-hand knowledge of the steps taken by CenterPoint Energy to provide notice to affected persons in connection with the application of CenterPoint Energy Houston Electric, LLC in Public Utility Commission of Texas (“PUC” or “Commission”) Docket No. 49421. On the same day that such application was filed in Docket No. 49421 at the PUC, CenterPoint Energy mailed a copy of the form of Public Notice to all certified retail electric providers (REPs) listed on the PUC website and to each of the ERCOT wholesale transmission customers on the service list in Docket No. 48928, *Commission Staff’s Application to Set 2019 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas*. A copy of the Application and rate filing package was sent to the attorneys of record for each party that participated in Docket No. 38339 (the Company’s last general rate case) by hand delivery or overnight mail. On April 16, 2019, a revised notice was mailed to each of the ERCOT wholesale transmission customers on the service list in Docket No. 48928 and to each REP listed on the Commission’s website as of the date on which notice was sent. The same form of revised Public Notice was also

published in the *Houston Chronicle*, a newspaper having general circulation throughout the Company's service area, on April 18, April 25, May 2, and May 9. Attached is a copy of the affidavit by that newspaper confirming publication.

A copy of the Company's application is also available for inspection at the offices of CenterPoint Energy at 1111 Louisiana Street, Houston, Texas 77002 and 1005 Congress Avenue, Suite 610, Austin, Texas 78701. The application is also available for viewing on the Filing Interchange on the Public Utility Commission's website at <http://www.puc.state.tx.us>.

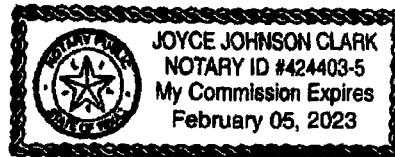
Alice S. Hart

Alice S. Hart

Subscribed and sworn before me on this 13th day of May, 2019.

Joyce Johnson Clark
Notary Public in and for Harris County, Texas

My Commission expires on: 2-5-23



AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:
COUNTY OF HARRIS:

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared: Victoria Bond, who after being duly sworn, says that she is a **NEWSPAPER REPRESENTATIVE** for **THE HOUSTON CHRONICLE**, a daily newspaper published in Harris County and generally circulated in the Counties of: HARRIS, TRINITY, WALKER, GRIMES, POLK, SAN JACINTO, WASHINGTON, MONTGOMERY, LIBERTY, AUSTIN, WALLER, CHAMBERS, COLORADO, BRAZORIA, FORT BEND, GALVESTON, WHARTON, JACKSON and MATAGORDA and that the publication, of which the annexed herein, or attached to, is a true and correct copy, was published to wit:

Date: April 18 & 25, 2019 - Ad#192406
May 2, 2019 - Ad#192506
May 9, 2019 - Ad#192824

Account # 000985305

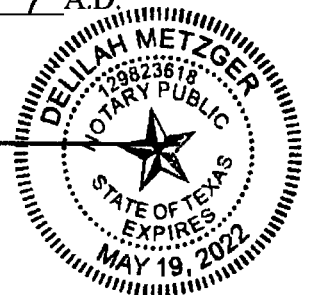
Account Name: Centerpoint Energy

Victoria Bond - A/R Clerk

Newspaper Representative

Sworn and subscribed to before me, this 5 day of May, 2019 A.D.

Delilah Metzger
Notary Public in and for the State of Texas



NOTICE OF RATE CHANGE REQUEST

On April 5, 2019, CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston" or the "Company") filed with the Public Utility Commission of Texas ("Commission") a Statement of Intent and Application for Authority to Change Rates ("Application"). The Company is filing the Application in compliance with the rate review scheduling requirements under 16 Texas Administrative Code § 25.247(c)(2)(B) and the Company's commitment to the timing of a rate filing in Project No. 47945, *Proceeding to Investigate and Address the Effects of the Tax Cuts and Jobs Act of 2017 on the Rates of Texas Investor-Owned Utility Companies*. The Application has been assigned Docket No. 49421.

The Application is based on a 12-month test year ending December 31, 2018, as adjusted for known and measurable changes. The Application supports a net increase in retail transmission and distribution rates of approximately \$154 million over adjusted test year revenues, which is an increase of around 7.4%. It also supports an approximately \$6.8 million increase for wholesale transmission service, which is an increase of around 1.8%. If approved and implemented through the Company's rates for Retail Delivery Service, the impact on a residential customer using 1,000 kilowatt-hours ("kWh") per month would be an increase of approximately \$2.38 or 5.19% per month. A customer with a retail plan that charges 12.5 cents per kWh would see their rate go to 12.75 cents per kWh, or a 1.91% increase in their total bill. The extent to which these additional charges would be passed on by Retail Electric Providers ("REPs") is a function of the competitive market. The Company's proposed effective date of the requested rate change is May 10, 2019.

The Company's rates and revenues in the Application also reflect the inclusion of a limited-term rider, Rider URDIT, related to the Tax Cuts and Jobs Act of 2017, which will return approximately \$97 million of unprotected excess accumulated deferred federal income taxes over a period of 3 years. After that period, the increase in retail transmission and distribution rates attributable to the Application would be approximately \$187 million over adjusted test year revenues, which is an increase of about 8.9%. These figures do not take into account any other changes to rates or revenues that may occur during that 3-year period. Changes that might occur during that period include, for example, the Company's filing related to its Energy Efficiency Cost Recovery Factor, Distribution Cost Recovery Factor, and Transmission Cost Recovery Factor.

CenterPoint Houston proposes to change delivery charges to reflect the revenue requirement by function as described in its proposed allocation study. The changes by rate class are reflected in the table below.

CURRENT AND PROPOSED CHARGES (General Rate Schedule)						
CLASS	Type of Charge	Current Charge	Proposed Charge	Inc. or Dec.	Billing Unit	
INCIDENTAL	Customer	\$1.02	\$2.48	\$0.86	per meter	
	Metering	\$3.85	\$1.95	(\$1.90)	per meter	
	Transmission	\$0.006439	\$0.015060	\$0.008621	per kWh	
	Distribution	\$0.016489	\$0.022680	\$0.006191	per kWh	
SECONDARY <= 16 Kva (Small)	Customer	\$1.61	\$2.44	\$0.83	per meter	
	Metering	\$4.41	\$2.11	(\$2.30)	per meter	
	Transmission	\$0.004437	\$0.009920	\$0.005483	per kWh	
	Distribution	\$0.012218	\$0.015510	\$0.003292	per kWh	
SECONDARY > 16 Kva (Large)	Customer	\$2.26	\$3.22	\$0.96	per meter	
	NON-IDR	165.83	\$18.28	(\$17.55)	per meter	
	Metering	\$18.82	\$6.90	(\$11.92)	per meter	
	IDR	\$63.07	\$75.91	\$12.84	per meter	
	Transmission	NON-IDR	\$1.4318	\$2.7140	\$1.28	per MCF Kva
	IDR	\$2.2387	\$4.0531	\$1.81	per 4 CP Kva	
	Distribution	\$3.859420	\$4.835920	\$1.7669	per Billing Kva	
	PRIMARY	Customer	\$3.30	\$4.83	\$1.25	per meter
NON-IDR	\$76.73	\$61.26	(\$15.47)	per meter		
Metering	NON-IDR	\$18.35	\$28.55	\$10.20	per meter	
IDR	\$138.40	\$198.72	\$60.32	per meter		
Transmission	NON-IDR	\$1.7031	\$2.7339	\$1.03	per MCF Kva	
IDR	\$2.1546	\$3.9405	\$1.79	per 4 CP Kva		
Distribution	\$2.002820	\$2.524110	\$0.52	per Billing Kva		
TRANSMISSION	Customer	\$154.64	\$222.94	\$68.30	per meter	
	Metering	\$1,449.82	\$1,456.82	\$7.00	per meter	
	Transmission	\$2.1184	\$4.7203	\$2.60	per 4 CP Kva	
	Distribution	\$0.432926	\$0.593150	\$0.16	per 4 CP Kva	

Revenues by rate class and number of customers are provided below.

Rate Class Description	Number of Customers	Present Revenues ¹	Proposed Revenues	Revenue Change		Revenue Change %	P/E Ratio
				With URDIT	Without URDIT		
Incidental	2,188,228	\$ 2,188,228	\$ 4,924,975	\$ 2,736,747	\$ (7,253,493)	125.1%	0.18
Secondary <= 16Kva	189,128	\$ 22,894,216	\$ 20,272,880	\$ (2,621,336)	\$ (2,418,200)	88.6%	0.24
Secondary > 16Kva	137,842	\$ 61,580,409	\$ 78,962,964	\$ 17,382,555	\$ (18,688,310)	128.2%	0.12
Primary	989	\$ 6,791,777	\$ 79,889,519	\$ 73,097,742	\$ (97,104)	1120.4%	0.60
Transmission	205	\$ 143,213,628	\$ 182,933,837	\$ 39,720,209	\$ (4,600,000)	130.9%	1.60
Subscribers Billing	12,618	\$ 2,973,268	\$ 3,236,782	\$ (263,516)	\$ (66,800)	108.9%	0.83
Billing	1,103	\$ 827,807	\$ 93,264,824	\$ 92,437,017	\$ (84,990)	112,875%	0.79
Total Retail Delivery Revenues	2,692,211	\$ 2,873,880,499	\$ 2,288,208,620	\$ (585,671,879)	\$ (84,209,623)	79.3%	0.74
Wholesale Transmission Revenues		\$ 795,548,981	\$ 795,706,573	\$ 157,651	\$ 4,705,882	100.0%	1.60
Total Cost of Service		\$ 2,124,568,420	\$ 2,478,980,212	\$ 354,411,791	\$ (12,808,068)	116.5%	0.83

¹ Test Year revenues have been adjusted to measure billing costs and reflect the MCF and CP.

CenterPoint Houston's proposed tariff for Wholesale Transmission Service includes CenterPoint Houston's proposed wholesale transmission rate and the terms under which wholesale transmission service will be provided. The Company proposes changes to this tariff to reflect CenterPoint Houston's current cost of providing this service. The result of the change will update the Company's wholesale transmission service rate from \$5.781925 per kW to \$5.705072 per kW.

In addition to new rates, CenterPoint Houston requests a prudency determination on all capital investment made in the system since January 1, 2010, the establishment of Rider URDIT to continue returning to customers approximately \$97 million for the excess deferred federal income tax unprotected balances resulting from the enactment of the Tax Cuts and Jobs Act of 2017, and updated depreciation rates. CenterPoint Houston also seeks permission to install voltage regulation battery assets when necessary and cost-effective situations permit and the amendment of its Facilities Extension Policy to facilitate electric vehicle charging station development.

Additional non-rate changes intended to improve the readability and clarity of the Company's tariffs are addressed in the direct testimony of Company witness Matthew A. Troche. The Company is also proposing Rider RCR to recover rate case expenses determined to be reasonable by the Commission in this case. Finally, CenterPoint Houston proposes to update the charges for Discretionary Services to reflect CenterPoint Houston's current cost of providing such services, including its Non-Standard Metering Service Recurring Fee, of which the Company is required to notify REPs prior to making any changes. Proposed changes to Discretionary Services charges are identified in Exhibit MAT-6 to the direct testimony of Mr. Troche.

The Application affects all REPs serving end-use retail electric customers in CenterPoint Houston's certificated service territory and will affect the retail electric customers of those REPs to the extent that the REPs pass along to their customers the charges under the Company's Tariff for Retail Delivery Service. The Application also affects all customers taking service under the Company's Tariff for Wholesale Transmission Service.

Persons with questions or who want more information about the Application may contact CenterPoint Houston at 1111 Louisiana Street, Houston Texas 77002, or by calling Alice Hart at 713-207-5322. In addition, questions may be sent to CEH.RATECASE@CenterPointEnergy.com. A complete copy of the filing will be available for inspection at the address listed above and at the Company's offices in Austin, Texas.

Persons who wish to intervene or comment upon these proceedings should notify the Commission as soon as possible, as an intervention deadline will be imposed. A request to intervene or for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326. Further information may also be obtained by calling the Public Utility Commission at (512) 936-7128 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136. The deadline for intervention in the proceeding is 45 days after the date the application was filed with the Commission. The 45th day after the date CenterPoint Houston filed its application is May 20, 2019.

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of May 2019, a true and correct copy of the foregoing document was served on all parties of record in accordance with 16 Tex. Admin. Code § 22.74.

