

1 defined by the utility's proposed tariffs, for all classes for which hourly  
2 demand data (or demand data for intervals shorter than one hour) is  
3 available for customers collectively accounting for over 50% of class sales.

4 **II. TEST YEAR BILLING DETERMINANTS**

5 **Q. ARE YOU SPONSORING THE COMPANY'S PROPOSED TEST YEAR**  
6 **BILLING DETERMINANTS?**

7 A. I sponsor the proposed billing determinants identified in Schedule IV-J-5.

8 **Q. WHY ARE TEST YEAR BILLING DETERMINANTS ADJUSTED?**

9 A. The Company has made certain adjustments to its billing determinants in order to  
10 make the Test Year billing and usage data more representative of conditions that  
11 are expected to exist once new rates go into effect. The Test Year adjustments are  
12 based on known and measurable changes and represent a fair and equitable method  
13 to allocate necessary cost recovery, and design rates.

14 **Q. WHAT TYPES OF ADJUSTMENTS WERE MADE TO THE TEST YEAR**  
15 **BILLING DETERMINANTS IN THIS PROCEEDING?**

16 A. Three types of adjustments were made to the Test Year billing determinants:  
17 (1) customer adjustments to reflect the number of customers at the end of the Test  
18 Year; (2) weather adjustments made to the Test Year load data as presented in  
19 Schedules II-H-2 through II-H-2.3, and Schedules II-H-5 through II-H-5.3,  
20 sponsored by Company witness J. Stuart McMenamin; and (3) adjustments to  
21 recognize the impact of the Company's mandated energy efficiency programs that  
22 were in effect during the Test Year. See my Exhibit MAT-2 for a summary of the  
23 adjustments to Test Year billing determinants.

1    **Q.    WHAT IS THE PURPOSE OF THE CUSTOMER ADJUSTMENTS?**

2    A.    The purpose of the customer adjustments is to recognize the change in the number  
3           of customers over the course of the Test Year by updating the billing determinants  
4           for each rate class to levels consistent with electric usage as if the year-end number  
5           of customers had been present the entire Test Year.

6    **Q.    PLEASE DESCRIBE THE PROPOSED CUSTOMER ADJUSTMENTS.**

7    A.    For the residential service (“RS”), secondary voltage small (“SVS”), secondary  
8           voltage large (“SVL”) and primary voltage service (“PVS”) rate classes, the  
9           proposed customer adjustment is accomplished by scaling, either up or down, each  
10          month’s billing determinants, weather normalized if applicable, to the customer  
11          count in December 2018. Non-metered lighting is adjusted similar to other rate  
12          classes, except that the adjustments to Test Year kWh reflect the number of active  
13          lamps of each lamp type as of December 2018. Customer adjustments to the  
14          Transmission Voltage Service (“TVS”) rate class are treated somewhat differently.  
15          If a new TVS customer is added during the Test Year, billing determinants are  
16          adjusted by restating that customer’s usage as if that customer had been present the  
17          entire year. Similarly, if an existing customer permanently shuts down operations,  
18          billing determinants are adjusted by restating the Test Year to remove all of that  
19          customer’s usage. Also, because the usage of eight TVS customers in December  
20          2018 included some January 2019 volumes, adjustments were made in WP H-4.1  
21          to include the usage for those customers in the Test Year.

1   **Q.    ARE THE COMPANY’S CUSTOMER ADJUSTMENTS REASONABLE**  
2       **AND APPROPRIATE?**

3    A.    Yes. The proposed adjustments are reasonable and appropriate. Furthermore, the  
4       adjustments are consistent with those approved by the Commission in the  
5       Company’s last rate case in Docket No. 38339,<sup>2</sup> and are reflective of electric usage  
6       going forward based on the information known and measurable as of the end of the  
7       Test Year.

8   **Q.    PLEASE EXPLAIN ANY WEATHER ADJUSTMENTS TO THE TEST**  
9       **YEAR LOAD DATA.**

10   A.    The direct testimony of Dr. McMenamin will explain the proposed weather  
11       adjustments to the Test Year load data.

12   **Q.    PLEASE EXPLAIN THE COMPANY’S PROPOSED ENERGY**  
13       **EFFICIENCY PLAN ADJUSTMENTS TO THE TEST YEAR LOAD DATA.**

14   A.    The Energy Efficiency Plan (“EEP”) adjustment is made to reflect the known and  
15       measurable impact of the Company’s approved energy efficiency programs that  
16       were implemented during 2018 on the Company’s Test Year billing determinants.  
17       The EEP adjustment is restricted to the billing determinants of existing customers  
18       that were not captured in the Test Year.

19   **Q.    WHY IS THE EEP ADJUSTMENT NECESSARY TO REFLECT**  
20       **EXPECTED CONDITIONS WHEN NEW RATES TAKE EFFECT?**

21   A.    Billing determinants established during the Test Year are used to calculate the  
22       revenues the Company will need to recover after new delivery system charges are

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<sup>2</sup>*Application of CenterPoint Energy Houston Electric, LLC For Authority to Change Rates*, Docket No. 38339, Order on Rehearing (Jun. 23, 2011).

1 set in order to recover the Company's cost of service approved in this proceeding.  
2 If known and measurable changes to usage occur during the Test Year and those  
3 changes will continue to apply after the Test Year, but were not completely  
4 captured in the Test Year because of the timing of when they occurred during the  
5 Test Year, the Company is required to adjust its Test Year usage to reflect those  
6 known and measurable changes. The EEP adjustment adjusts the Test Year billing  
7 determinants to account for energy efficiency measures that were installed  
8 throughout the Test Year because the energy reductions associated with these  
9 programs were not fully captured in the Test Year data. For instance, if an energy  
10 efficient light was installed in June, the reduction in billing determinants for the  
11 months of January through May were not captured in the Test Year. In order to  
12 accurately reflect a full Test Year of energy usage that will result from the  
13 implementation of the Company's various programs, it is necessary to adjust the  
14 billing determinants to account for the impacts of those energy efficiency programs  
15 over the course of the entire Test Year.

16 **Q. IS THIS ADJUSTMENT SIMILAR TO THE CUSTOMER ADJUSTMENT**  
17 **DESCRIBED ABOVE?**

18 A. Yes. The customer adjustment is made to ensure that customer counts at the end  
19 of the Test Year are used to calculate usage over the course of the Test Year because  
20 it is assumed that the customer counts at the end of the Test Year are more  
21 representative of billing and usage going forward than those at the beginning of the  
22 Test Year. The EEP adjustment operates in a similar way to capture energy usage

1           that is more representative of usage going forward based on the energy efficiency  
2           programs that were in place at the end of the year.

3   **Q.   IS THIS ADJUSTMENT INTENDED TO CAPTURE THE IMPACT OF**  
4   **ENERGY EFFICIENCY PROGRAMS THAT HAVE NOT BEEN**  
5   **IMPLEMENTED YET?**

6   A.   No. It is calculated based solely on Test Year usage data and programs that were  
7           already in place during the Test Year, not any potential impacts of any future  
8           programs the Company chooses to implement in subsequent years.

9   **Q.   HOW WERE THE IMPACTS TO BILLING DETERMINANTS**  
10   **CALCULATED?**

11   A.   The calculation can be found in WP H-1.2 (EEP BD adjustment). The savings that  
12           the Company realized through its 2018 Energy Efficiency programs were  
13           calculated using the Technical Reference Manual required by 16 Texas  
14           Administrative Code § 25.181(q) (“TAC”). Those savings were then broken down  
15           by month for each month that they were in effect. For weather-dependent measures,  
16           weather data was used to determine the energy savings by month and for non-  
17           weather dependent measures, the savings were divided by twelve to determine the  
18           kWh reduction by month. The weather data and length of time installed were then  
19           used to determine the savings that would have occurred had the measure been  
20           installed for the entire year. As noted, the calculation of these savings is provided  
21           in my workpapers, which are incorporated herein by reference.

1   **Q.    ARE THE IMPACTS OF THESE PROGRAMS KNOWN AND**  
2   **MEASURABLE AS OF THE END OF THE TEST YEAR?**

3   A.    Yes. The deemed savings from energy efficiency programs for the Test Year are  
4       known as they occurred during the Test Year. In addition, their impacts on energy  
5       usage are measurable using the Technical Reference Manual required by 16 TAC  
6       § 25.181(q).

7   **Q.    HAS THE COMPANY CONSISTENTLY MET ITS ENERGY EFFICIENCY**  
8   **GOALS UNDER ITS ENERGY EFFICIENCY PROGRAMS?**

9   A.    Yes. The Company has consistently met its goals under its energy efficiency  
10       programs as demonstrated in its prior energy efficiency filings under 16 TAC  
11       § 25.181.

12   **Q.    IS THIS ADJUSTMENT AKIN TO A LOST REVENUE ADJUSTMENT?**

13   A.    No. A lost revenue adjustment mechanism is usually a forward-looking mechanism  
14       that determines potential revenues the Company would not collect due to energy  
15       efficiency programs that will be put into place in the future. In short, it looks to  
16       recover all incremental revenues lost in between rate cases. The EEP adjustment is  
17       based entirely on historical data. It reflects actual Test Year conditions adjusted for  
18       changes that were known and measurable at the end of the Test Year in order to  
19       present a representative Test Year going forward. It then matches the Company's  
20       Commission-authorized revenue requirement with that expected usage to ensure  
21       the Company has a reasonable opportunity to collect the revenue requirement set  
22       in this rate case based on these known changes to usage, as provided for under the  
23       Public Utility Regulatory Act ("PURA") and Commission rules. Without this

1 adjustment, the Company will not have a reasonable opportunity to collect its  
2 Commission-approved revenue requirement because the delivery service charges  
3 that result from this rate case would be based on usage levels that, per historical  
4 data, the Commission knows to be over-stated at the end of the Test Year.

5 **Q. ARE THE PROPOSED ADJUSTMENTS FOR EEP REASONABLE AND**  
6 **APPROPRIATE?**

7 A. Yes. As noted before, energy usage is reduced due to the implementation of energy  
8 efficiency measures. That is, in fact, the whole point of the Company's energy  
9 efficiency programs. The Commission's energy efficiency program evaluator,  
10 Tetra Tech, reviews the savings from energy efficiency measures on an annual basis  
11 and provides a report on the reduction in energy that would be expected in the  
12 following year so savings are known and measurable as of the end of the Test Year.  
13 Because those measures are installed throughout the year, the known and  
14 measurable savings reported by the evaluator cannot be fully captured in the Test  
15 Year. Accordingly, this adjustment is not just reasonable and appropriate but also  
16 necessary in order to match the Company's Commission-authorized revenue  
17 requirement with the expected billing determinants during the first year new  
18 delivery service charges are intended to take effect.

19 **III. CLASS COST OF SERVICE**

20 **Q. WHAT IS A CLASS COST OF SERVICE STUDY?**

21 A. A CCOSS is a cost-causation analysis of the Company's plant investment,  
22 revenues, and expenses that calculates and allocates the cost incurred to provide  
23 service to each customer class. The measure of cost assigned to each customer  
24 class is derived from unique customer class requirements, demand, energy, and

1 revenue attributes to the investment. A CCOSS is a well-established, fair and  
2 equitable way to allocate reasonable and necessary costs in order to appropriately  
3 design rates.

4 **A. Overview of Class Cost of Service Study Allocation Process**

5 **Q. HOW ARE CENTERPOINT HOUSTON'S COSTS ORGANIZED FOR**  
6 **PURPOSES OF ALLOCATION AMONG RETAIL DELIVERY CLASSES?**

7 A. CenterPoint Houston follows the FERC Uniform System of Accounts, which  
8 provides a numerical system of accounting for revenue, revenue deductions, and  
9 plant (assets or investment). The Federal Energy Regulatory Commission  
10 ("FERC") Uniform System of Accounts is reflected in Schedules II-B-1 through  
11 II-B-12, sponsored by Company witness Kristie L. Colvin. Total revenue includes  
12 revenue from electric sales<sup>3</sup> as well as various other revenue items. Revenue  
13 deductions include operations and maintenance ("O&M") expense, depreciation  
14 and amortization expense, and taxes. Rate base items include plant investment,  
15 accumulated depreciation and amortization, and other capital items. Within each  
16 FERC account, costs are further functionalized and organized by classification.

17 **Q. PLEASE DESCRIBE HOW THE COMPANY'S CCOSS WAS PREPARED.**

18 A. CenterPoint Houston's CCOSS allocation was prepared using a four-step process:  
19 (1) functionalization of expense and revenue of all accounts (see Schedules II-B-1  
20 through II-B-12, as described in the direct testimony of Ms. Colvin);  
21 (2) classification of expense, revenue, and rate base accounts; (3) development of

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<sup>3</sup> Electric sales are the electrical usage measured by the meters at the customer's premise which is delivered by CenterPoint Houston for the Retail Electric Provider ("REP") on behalf of the customer which is the basis for CenterPoint Houston deriving billing determinants and applying the class rate charges.

1 allocation factors based on the data obtained from the books and records of the  
2 Company for the Test Year; and (4) allocation of the revenue, expense, and rate  
3 base accounts to the customer classes based on the allocation factors developed in  
4 (3) above.

5 **Q. PLEASE DESCRIBE THE FUNCTIONALIZATION PROCESS.**

6 A. Functionalization is the process of assigning costs to a specific business “function”  
7 to determine which rate class is responsible for the various cost. Consistent with  
8 the Commission’s RFP instructions as defined in 16 TAC § 25.344, the Company  
9 has functionalized costs into the following business functions:

- 10 • Transmission (“TRAN”);
- 11 • Distribution (“DIST”);
- 12 • Transmission and Distribution Utility Metering System Services (“MET”);
- 13 • Transmission and Distribution Utility Billing System Services (“TBILL”);
- 14 • Transmission and Distribution Utility Customer Services (“TDCS”).

15 The Company has combined the TBILL and TDCS functions as permitted by the  
16 Commission’s RFP instructions. Ms. Colvin sponsors and describes in her  
17 testimony how specific revenues and costs were functionalized.

18 **Q. WHAT ARE COST CLASSIFICATIONS AND HOW ARE THEY**  
19 **DETERMINED?**

20 A. Some functionalized costs can be directly assigned to one or more customer classes.  
21 Other costs involve more than one customer class and must be allocated. These  
22 costs are allocated according to cost-causation principles as being customer-related,  
23 demand-related, energy-related, or revenue-related costs, or a combination thereof.  
24 Generally, costs characterized as fixed costs are classified as customer-related or

1 demand-related costs and costs characterized as variable cost are classified as  
2 energy-related or revenue-related.

3 For example, customer-related costs are those costs that arise as the result  
4 of incrementally adding a customer to the system but vary little or not at all with  
5 the customer's actual electrical usage. Customer accounting expense, for example,  
6 is a customer-related cost because CenterPoint Houston is required to maintain  
7 records for each customer due to the customer's existence on the delivery system,  
8 regardless of the level of electrical consumption. Therefore, customer accounting  
9 expenses are allocated to rate classes based on the number of customers in the class.

10 Costs classified as demand-related costs are driven by and dependent on the  
11 electric demand or load of the customers. For example, distribution facilities are  
12 designed and built to carry the maximum expected electrical demand of the system,  
13 without respect to the actual number of customers taking service at any given time.  
14 Distribution costs have therefore been classified as demand-related costs.

15 Energy-related costs are generally driven by the energy usage of each rate  
16 class. Revenue-related costs are driven by revenues received from each rate class.

17 **Q. PLEASE DESCRIBE HOW ALLOCATION FACTORS ARE DEVELOPED.**

18 A. Allocation factors are developed based on an analysis of the distinct characteristics  
19 of each rate class. Costs are first functionalized and then assigned to the classified  
20 cost categories described above for each rate class. Allocation factors are then  
21 assigned to these functionalized and classified costs and used to allocate the costs  
22 to the customer classes.

1    **Q.    PLEASE DESCRIBE THE ALLOCATION FACTORS USED IN**  
 2       **SCHEDULE II-I-2 AND HOW THEY WERE DEVELOPED.**

3    A.    The following are the allocation factor categories shown in the II-I-2 Schedules:

- 4           • Customer factors were developed using: (1) the number of customers in  
 5           each rate class at the end of the Test Year, weighted for meter investment;  
 6           and (2) the total number of customers at the end of the Test Year.
- 7           • Demand factors were developed using various rate class demand  
 8           measurements and an unadjusted Four-Coincident Peak (“4CP”) demand  
 9           allocation methodology.
- 10          • Energy factors were developed based on the energy usage of each rate class.
- 11          • Revenue factors were developed based on the percentage of revenues  
 12          received from each rate class.
- 13          • Factors for General Plant Accounts were derived based on allocated  
 14          operating plant costs.

15   **Q.    DESCRIBE THE DATA SOURCE USED TO DEVELOP THE**  
 16       **ALLOCATION FACTORS.**

17   A.    The data to develop the allocation factors originated from three sources: (1) the  
 18       schedules and workpapers provided in the rate filing package; (2) the accounting  
 19       books and records of the Company; and (3) special studies performed to acquire  
 20       specific data. For example, Dr. McMenamin describes how the data from the  
 21       CenterPoint Houston advanced metering system (“AMS”) is used to adjust daily  
 22       and monthly energy usage and billing determinants in order to ensure that its rates  
 23       are set based on data that reflect normal weather, as contemplated by this  
 24       Commission’s rules and RFP instructions.

25   **Q.    HAS THE DEMAND AND ENERGY DATA USED FOR ALLOCATION**  
 26       **PURPOSES BEEN ADJUSTED?**

27   A.    No. There were no adjustments made to the demand and energy data.

1   **Q.   WHERE ARE THE ALLOCATION FACTORS IDENTIFIED IN THE**  
2       **COMPANY SCHEDULES?**

3   A.   The allocation factors are shown in the II-I-2 Schedules, and the derivation of all  
4       allocation factors are provided in Schedule II-I-Class Allocation Summary.

5   **Q.   ARE THE ALLOCATION METHODOLOGIES USED TO DEVELOP THE**  
6       **ALLOCATION FACTORS CONSISTENT WITH WHAT THE**  
7       **COMMISSION APPROVED IN DOCKET NO. 38339?**

8   A.   Yes. CenterPoint Houston generally used the same allocation methodology the  
9       Commission ruled appropriate in CenterPoint Houston's previous fully-litigated  
10      rate filing proceeding, Docket No. 38339,<sup>4</sup> and the Company adopted changes to  
11      those methodologies where directed by the Commission in that proceeding.

12   **Q.   DID THE COMPANY MAKE ANY CHANGES TO THE ALLOCATION**  
13      **METHODOLOGY IT USED IN DOCKET NO. 38339 IN ORDER TO BE**  
14      **CONSISTENT WITH THE FINAL ORDER IN THAT PROCEEDING?**

15   A.   Per the final order in Docket No. 38339, the Company is proposing the use of the  
16      unadjusted 4CP to determine the demand-related allocation factors as shown in  
17      WP - Avg\_4CP. Also, in the last rate proceeding, the Company had classified  
18      certain distribution costs as being both demand-related and customer-related. Per  
19      the final order in that proceeding, the Company has eliminated its prior use of a  
20      minimum system plant allocation approach to characterize certain distribution cost  
21      as customer-related in this case. Workpapers WP - Acct. 364, WP - Acct. 365,

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<sup>4</sup> Docket No. 38339, Order on Rehearing (Jun. 23, 2011).

1 WP - Acct. 366, WP - Acct. 367, and WP - Acct. 368 demonstrate how the  
2 Company proposes to allocate distribution costs in this proceeding.

3 **Q. WHAT IS THE FINAL STEP IN PREPARING THE CCROSS?**

4 A. The final step in preparing the CCROSS is applying the allocators derived in the  
5 previous step, as shown in the II-I-2 Schedules, to all of the FERC Account costs,  
6 expenses, and other revenues.

7 **B. Demand-related Allocation Methodology**

8 **1. Transmission Cost**

9 **Q. PLEASE DESCRIBE THE METHOD USED TO ALLOCATE CAPACITY-  
10 RELATED TRANSMISSION COST.**

11 A. CenterPoint Houston proposes to use the unadjusted 4CP allocation factor based on  
12 the ERCOT peak summer month periods to allocate capacity-related transmission  
13 costs. This matches the use of the 4CP allocator the Commission uses for pricing  
14 wholesale transmission charges pursuant to PURA § 35.004(d) and is consistent  
15 with Commission rules and the Company's approved approach in Docket  
16 No. 38339.

17 **2. Distribution Cost**

18 **Q. PLEASE DESCRIBE THE METHOD USED TO ALLOCATE DEMAND-  
19 RELATED DISTRIBUTION COST.**

20 A. The methodology used for the demand-related distribution cost is based on the  
21 unadjusted average 4CP test year demand for electric power on CenterPoint  
22 Houston's distribution system at the time of ERCOT's peak summer month periods.  
23 This demand data is shown on Schedule II-H-1.3, sponsored by Dr. McMenamin.  
24 Furthermore, the allocation factors are determined at two points of service on the

1 distribution system: the substation and the overhead distribution lines. Since some  
2 customers are served exclusively on the underground (“UG”) line distribution  
3 system and do not use the overhead line facilities, having the allocation factors  
4 determined at the substation and the overhead distribution line level allows certain  
5 costs of the UG line facilities to be allocated exclusively to those classes which  
6 have customers served from those facilities.

7 **Q. WHY HAVE YOU ELECTED TO USE THE 4CP DEMAND**  
8 **METHODOLOGY FOR DEMAND-RELATED DISTRIBUTION COST?**

9 A. The Company’s distribution system is designed to serve the maximum load  
10 requirement of each individual retail customer at the same time. The Company’s  
11 distribution system is strategically constructed to have the capability to reliably  
12 deliver the maximum load when demanded by the customer. CenterPoint  
13 Houston’s customers’ demand peaks are generally during the summer months of  
14 June, July, August, and September. All cost driven by system peak loads have been  
15 allocated to the classes based upon their contribution to the summer peak loads.  
16 The 4CP component of the Company’s proposed allocator accomplishes this goal  
17 by isolating class contributions to system peak load during those four months. The  
18 Company uses this 4CP component to allocate cost on the basis of class energy  
19 requirements (the average demand) and class contributions to system peak demand  
20 (the excess demand). A 4CP demand allocation method captures the cost causation  
21 associated with the maximum coincident load of each rate class on the Company’s  
22 distribution system.

1   **Q.   PLEASE DISCUSS THE APPROACH USED TO CLASSIFY AND**  
 2       **ALLOCATE       OVERHEAD       DISTRIBUTION       POLES,**  
 3       **TOWERS & FIXTURES - ACCOUNT 364, AND CONDUCTORS -**  
 4       **ACCOUNT 365.**

5   A.   As shown in WP - Acct. 364 and WP - Acct. 365, the costs of distribution poles,  
 6       towers and fixtures, and conductors are classified as either primary voltage-related,  
 7       or secondary voltage-related prior to the cost allocation process. The costs are then  
 8       allocated to rate classes using the 4CP distribution allocation factors.

9   **Q.   PLEASE DISCUSS THE ALLOCATION OF DISTRIBUTION**  
 10       **UNDERGROUND CONDUIT – ACCOUNT 366, AND CONDUCTORS –**  
 11       **ACCOUNT 367 TO RATE CLASSES.**

12   A.   As shown in WP - Acct. 366 and WP - Acct. 367, Underground facilities are divided  
 13       into four categories for allocation:

- 14               • UG Network;
- 15               • UG Getaways and Street Dips;
- 16               • UG Service from Terminal Poles; and
- 17               • Residential UG.

18       As shown in WP - Acct. 366 and WP - Acct. 367, investment in UG Network is  
 19       allocated to rate classes based on each class's proportionate contribution to system  
 20       peak demand. UG Getaways and Street Dips and UG Service from Terminal Poles  
 21       are allocated to rate classes based on relative rate class demands at the distribution  
 22       line level. Residential UG facility investment is assigned directly to the residential  
 23       class.

1   **Q.   HOW ARE LINE TRANSFORMERS – ACCOUNT 368, CLASSIFIED AND**  
2       **ALLOCATED?**

3   A.   As shown in WP – Acct. 368, investment in line transformers is divided into two  
4       components: primary voltage-related, and secondary voltage-related. Costs are  
5       then allocated to rate classes using the 4CP distribution allocation factors.

6   **Q.   HOW ARE SERVICES – ACCOUNT 369 ASSIGNED TO THE RATE**  
7       **CLASSES?**

8   A.   Distribution service drops, as shown in WP - Acct. 369, are directly assigned to the  
9       customer classes served by these facilities.

10  **Q.   HOW ARE METERS – ACCOUNT 370 ALLOCATED TO THE RATE**  
11       **CLASSES?**

12  A.   As shown in WP - Acct. 370, meters are separated by meter type, consisting of  
13       meters and automated meters, and then further separated between meters and  
14       transformers by using accounts 370.1 and 370.3. The meter portion is allocated by  
15       meter count by class for Interval Data Recorder (“IDR”) and non-IDR. The  
16       transformer portion is allocated for IDR and non-IDR by transformer count.

17  **Q.   HOW IS STREET LIGHTING PLANT – ACCOUNT 373 ALLOCATED**  
18       **WITHIN THE LIGHTING SERVICE RATE CLASS?**

19  A.   As shown in WP - Acct. 373, investment in street lighting is directly assigned by  
20       type of service using the Company’s accounting records of investment – either  
21       Street Lighting Service or Miscellaneous Lighting (i.e., security lighting) Service.

1   **Q.   HOW ARE RATE CASE EXPENSES ALLOCATED TO THE RATE**  
2       **CLASSES?**

3   A.   The proposed rate case expenses were assigned to the rate classes in the same  
4       proportion as the cost of service allocators, shown in Schedule IV-J-7-RCE. The  
5       cost of service factor for each rate class is based on the percentage of total cost of  
6       service amount allocated to each rate class.

7   **Q.   HOW IS RIDER UEDIT – UNPROTECTED EXCESS DEFERRED**  
8       **INCOME TAX ALLOCATED TO THE RATE CLASSES?**

9   A.   The proposed Rider UEDIT credit was assigned to the rate classes in the same  
10      proportion as the cost of service allocators, as shown in Schedule IV-J-7-UEdit.  
11      The cost of service factor for each rate class is based on the percentage of total cost  
12      of service amount allocated to each rate class.

13   **Q.   HOW ARE OTHER EXPENSES ALLOCATED TO THE RATE CLASSES?**

14   A.   Other expenses such as O&M expenses, depreciation expenses, and taxes were  
15      functionalized on a cost-causation basis, as shown on Schedule I-A-1, sponsored  
16      by Ms. Colvin. The costs were then allocated to the rate classes using the ratios  
17      described in the II-I-2 Schedules.

18   **Q.   ARE THE ALLOCATIONS AND ALLOCATION METHODOLOGIES**  
19       **DESCRIBED ABOVE REASONABLE AND CONSISTENT WITH THE**  
20       **APPLICABLE RFP REQUIREMENTS?**

21   A.   Yes, these methodologies are reasonable and are consistent with the Commission's  
22      RFP instructions.

1           **C.     Adjustments to Rate Class Revenue Requirements**

2   **Q.    HAVE YOU MADE ANY ADJUSTMENTS TO THE RATE CLASS**  
3       **REVENUE REQUIREMENTS CALCULATED IN THE CLASS COST OF**  
4       **SERVICE STUDY?**

5   A.   No.   The total amounts allocated to each customer class are shown in  
6       Schedule II-I-Total.

7   **Q.    HOW DID YOU ALLOCATE THE REVENUES RESULTING FROM**  
8       **DISCRETIONARY SERVICE CHARGES AND FROM OTHER**  
9       **REVENUES?**

10  A.   Revenues from Discretionary Service Charges and from Other Revenue are  
11       deducted from the cost of service to arrive at the Company's proposed revenue  
12       requirement. These revenues are allocated on a cost-causation basis, as shown on  
13       Schedule I-A-1, sponsored by Ms. Colvin. Thereafter, the cost was allocated to the  
14       rate classes using the ratios provided in Schedule II-I-2 Class Ratios. See my  
15       Exhibit MAT-3, which summarizes the cost allocations performed.

16  **Q.    ARE THE REVENUE ADJUSTMENTS REASONABLE AND NECESSARY**  
17       **AND CONSISTENT WITH COMMISSION RULES AND THE**  
18       **APPLICABLE RATE FILING PACKAGE REQUIREMENTS?**

19  A.   Yes, these methodologies are reasonable and are consistent with the Commission's  
20       rules and RFP requirements.

**D. Class Cost of Service Study Results**

**Q. PLEASE SUMMARIZE THE RESULTS OF THE COMPANY'S CCOSS PROCESS.**

A. In order to determine the appropriate level of costs and revenues to be assigned to each rate class, two retail delivery class cost of service studies were performed using the allocation methodologies described above. The Current Class Cost of Service Study (the "Current CCOSS") shows current revenue and relative rates of return by retail delivery class while the Proposed Class Cost of Service Study (the "Proposed CCOSS") shows the proposed revenue at the system-wide average rate of return by class. The mathematical difference between these two studies shows the change in revenue requirement (increase or decrease) by rate class and the corresponding percentage revenue change if CenterPoint Houston's rates are reset based on the costs and revenue requirements supported by this filing. These results are summarized below:

**Figure 1**

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
SUMMARY OF REVENUES BY RATE CLASS**

<u>Rate Class Description</u>	<u>Present Revenues<sup>1</sup></u> (a)	<u>Proposed Revenues</u> (b)	<u>Rider UEDIT</u> (c)	<u>Change</u> (d) = (b)+(c)-(a)	<u>Change Pct</u> (d)/(a)
Residential	\$ 1,130,553,347	\$ 1,217,814,820	\$ (17,253,347)	\$ 70,008,125	6.2%
Secondary <= 10kva	\$ 32,594,719	\$ 30,607,020	\$ (431,501)	\$ (2,419,200)	-7.4%
Secondary > 10Kva	\$ 654,965,407	\$ 739,867,066	\$ (10,489,328)	\$ 74,412,331	11.4%
Primary	\$ 66,701,177	\$ 70,089,549	\$ (992,514)	\$ 2,395,858	3.6%
Transmission	\$ 143,211,958	\$ 162,433,957	\$ (2,313,022)	\$ 16,908,977	11.8%
Miscellaneous Lighting	\$ 3,843,864	\$ 3,126,732	\$ (44,200)	\$ (761,332)	-19.8%
Street Lighting	\$ 63,729,997	\$ 58,264,534	\$ (834,750)	\$ (6,300,214)	-9.9%
<b>Retail Electric Delivery Revenues</b>	<b>\$ 2,095,600,469</b>	<b>\$ 2,282,203,678</b>	<b>\$ (32,358,663)</b>	<b>\$ 154,244,545</b>	<b>7.4%</b>
<b>Wholesale Transmission</b>	<b>\$ 388,968,021</b>	<b>\$ 395,796,573</b>		<b>\$ 6,828,552</b>	<b>1.8%</b>
<b>Total Cost of Service</b>	<b>\$ 2,484,568,490</b>	<b>\$ 2,678,000,251</b>	<b>\$ (32,358,663)</b>	<b>\$ 161,073,097</b>	<b>6.5%</b>

<sup>1</sup> Test Year revenues have been adjusted to normalize billing units and adjust for DCRF and TCRF

1           For the Current CCOSS, Test Year O&M expenses, depreciation expenses,  
2           and taxes were allocated, and then other revenue was subtracted to derive the  
3           current dollar return by class. Current dollar return was then divided by the  
4           allocated rate base to derive a percentage return by class. Percentage return by class  
5           was then divided by the total company return to determine relative rates of return.  
6           For the Proposed CCOSS, CenterPoint Houston's proposed total company  
7           percentage return ("unity return") is multiplied by the rate base allocated to each  
8           class to determine the associated dollar return by class. The O&M expenses,  
9           depreciation expenses, and taxes allocated to each class are then added to the dollar  
10          return for each class to develop the cost of service and revenue requirement by class  
11          at the proposed rate level. Schedule II-I-Class Allocation Summary of the rate  
12          filing package provides the summary of the cost of service analysis, and  
13          Schedule II-I-Class Factors provides the class allocation factors.

14   **Q.    ARE ALL RATE CLASSES "IN UNITY"?**

15   A.    Yes, as shown in Schedule II-I-Class Allocation Summary, the proposed delivery  
16          system charges for all rate classes were developed using cost causation principles,  
17          and thus eliminated interclass revenue subsidies so that the relative rates of return  
18          are equalized.

19                           **IV.   RETAIL DELIVERY RATE DESIGN**

20   **A.    Rate Charges by Customer Class**

21   **Q.    HOW WERE THE PROPOSED RETAIL DELIVERY SYSTEM CHARGES**  
22          **DESIGNED?**

23   A.    The proposed delivery system charges were designed using the processes  
24          summarized in Schedule IV-J-1 Revenue Summary. The summary shows total cost

1 of service requirements by function and by rate class. The total cost of service or  
2 revenue requirement by rate class is divided by total billing determinants to derive  
3 a rate per class. The per-class rate calculations are shown on Schedules IV-J-7  
4 Proof of Revenue Summary. The adjusted billing determinants are indicated in  
5 Schedule IV-J-5.

6 **Q. PLEASE DESCRIBE THE FORM OF THE DELIVERY SYSTEM**  
7 **CHARGES FOR THE RETAIL DELIVERY RATE CLASSES.**

8 A. The retail delivery rate classes are:

- 9 • Residential Service;
- 10 • Secondary Service Less than or Equal to 10 kVA;
- 11 • Secondary Service Greater Than 10 kVA;
- 12 • Primary Service;
- 13 • Transmission Service; and
- 14 • Lighting Services.

15 Each rate class schedule, except for Lighting Services, includes a Customer Charge,  
16 Metering Charge, Distribution System Charge, and Transmission System Charge.  
17 The current and proposed revenue by rate class and the charges by rate class are  
18 shown in Exhibits MAT-4 and MAT-5, respectively.

19 The Customer Charge and Metering Charge include costs that are incurred  
20 regardless of system usage. The Company proposes to bill the Customer Charge  
21 and Metering Charge on a per meter basis per month, instead of the current basis  
22 of per retail customer. The change will apply to all rate classes except Lighting  
23 Services. The change provides an accurate representation of billed customers, each  
24 meter will represent one Electric Service Identifier account.

25 The basis for the Distribution and Transmission Charges varies among the  
26 different rate classes. For the Residential and Secondary Service Less Than or

1 Equal to 10 kVA rate schedules, both the Transmission and Distribution Delivery  
2 Charges are recovered on a per kWh basis. For the Secondary Service Greater Than  
3 10 kVA rate schedule, the Distribution Delivery Charge will be based on Billing  
4 Demand, using NCP kVA. With respect to the Primary Service rate schedule,  
5 Distribution Delivery Charges will be based on the Billing kVA, which is defined  
6 as NCP kVA billing demand with an 80% ratchet. Seasonal agriculture customers  
7 are exempted from the distribution ratchet. For Transmission Service, the  
8 Distribution Delivery Charges will be based upon 4CP kVA. For the Secondary  
9 Service Greater Than 10 kVA and the Primary Service rate schedules, the  
10 Transmission Charge billing determinant depends upon the type of meter attributed  
11 to the customer. For those customers classified as having an IDR meter, the charges  
12 for retail transmission service are billed using the customer's 4CP kVA demand at  
13 the date and time coincident with the ERCOT 4CP. For customers classified as  
14 having a non-IDR meter, the Transmission Charge billing determinants are based  
15 on the customer's monthly maximum NCP kVA demand. For the Transmission  
16 Service rate schedule, the Transmission Charge billing determinants will be 4CP  
17 kVA.

18 Unlike most service under the other rate classes, Lighting Services are  
19 unmetered and do not have a Customer Charge or Metering Charge. The  
20 distribution and transmission charges for Lighting Services are stated on a per-  
21 fixture basis, based on the type of lamp and its configuration.

1                   **1.      Customer Charge**

2   **Q.   PLEASE DESCRIBE THE DEVELOPMENT OF THE CUSTOMER**  
 3       **CHARGE FOR EACH RETAIL DELIVERY RATE CLASS.**

4   A.   The Customer Charge for each rate schedule (other than Lighting Services, which  
 5       has no Customer Charge) is based on the class revenue requirement for the  
 6       Customer Service function from the Proposed CCOSS, divided by the total Test  
 7       Year adjusted annual meter count for each class. The Customer Charge calculation  
 8       remains generally unchanged, though the ultimate level of the proposed Customer  
 9       Charge will change based upon the Proposed CCOSS.

10                   **2.      Metering Charge**

11   **Q.   PLEASE DESCRIBE THE DEVELOPMENT OF THE METERING**  
 12       **CHARGE FOR EACH RETAIL DELIVERY RATE CLASS.**

13   A.   The Metering Charge for each rate schedule (other than Lighting Services, which  
 14       has no Metering Charge) is based on the class revenue requirement for the Metering  
 15       function from the Proposed CCOSS, divided by the total Test Year adjusted annual  
 16       meter count for each class. However, for rate classes that have both IDR and non-  
 17       IDR meter categories, both the revenue requirement and the annual meter count are  
 18       calculated separately for each category.

19                   **3.      Distribution System Charge**

20   **Q.   PLEASE DESCRIBE THE DEVELOPMENT OF THE DISTRIBUTION**  
 21       **SYSTEM CHARGE FOR EACH RETAIL DELIVERY CLASS.**

22   A.   The Distribution System Charge for each rate schedule is based on the class revenue  
 23       requirement for the Distribution function from the Proposed CCOSS, divided by

the total Test Year adjusted annual distribution billing determinants for that class as shown on the following table.

**Figure 2**

<b>Rate Class</b>	<b>Distribution Billing Determinant</b>
Residential Service	Test Year adjusted kWh
Secondary Service $\leq$ 10 kVA	Test Year adjusted kWh
Secondary Service $>$ 10 kVA	Test Year billing kVA, defined as NCP kVA
Primary Service	Test Year billing kVA, defined as NCP kVA with a demand ratchet (ratchet is not applicable to seasonal agricultural customers)
Transmission Service	Test Year 4CP kVA
Lighting Service	N/A

#### **4. Transmission System Charge**

**Q. PLEASE DESCRIBE THE DEVELOPMENT OF THE TRANSMISSION SYSTEM CHARGE FOR EACH RETAIL DELIVERY RATE CLASS.**

A. For Residential and Secondary Less Than or Equal to 10 kVA Service, the Transmission System Charge is developed using the respective total Test Year adjusted kWh.

For the Secondary Greater Than 10 kVA and Primary rate schedules, the Transmission System Charge is developed based on IDR or non-IDR meter billing determinants. The transmission revenue requirement for the IDR/non-IDR customers is based on the Test Year adjusted revenue requirement allocated to the classes using the Test Year adjusted IDR/non-IDR demands, respectively. The Transmission Charge for IDR customers is based on the customer's Test Year adjusted 4CP demand. Each class's non-IDR transmission charge is developed using the class non-IDR transmission revenue requirement divided by each class's total adjusted Test Year Transmission Charge billing determinants, NCP kVA.

1 For the Transmission Service rate schedule, the Transmission System  
2 Charge is developed using 4CP kVA.

3 **B. Rate Schedules**

4 **1. Residential Service**

5 **Q. PLEASE DESCRIBE THE RESIDENTIAL SERVICE RATE SCHEDULE.**

6 A. This rate schedule is available to retail customers requesting delivery service for  
7 residential purposes. The rate schedule sets forth the Monthly Rate (composed of  
8 the Customer Charge, the Metering Charge, the Distribution System Charge, and  
9 the Transmission System Charge), the service riders that may apply to the rate  
10 schedule, and the Company's general terms of service under this rate schedule.

11 **Q. PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE DELIVERY  
12 SYSTEM CHARGES IN THE RESIDENTIAL SERVICE RATE  
13 SCHEDULE.**

14 A. CenterPoint Houston is proposing to update the delivery system charges in the  
15 Residential Service rate schedule to reflect the revenue requirement by function as  
16 described in the Proposed CCOSS. The proposed Residential Service rate schedule  
17 is included in Exhibit MAT-9. Non-rate changes to the Residential Service rate  
18 schedule are discussed later in the testimony under Section IV.G. - Non-Rate Tariff  
19 Changes and in Exhibit MAT-7.

20 **2. Secondary Service Less Than or Equal to 10 kVA**

21 **Q. PLEASE DESCRIBE THE SECONDARY SERVICE LESS THAN OR  
22 EQUAL TO 10 KVA RATE SCHEDULE.**

23 A. This rate schedule is available to retail customers requesting delivery service for  
24 non-residential purposes with demands less than or equal to 10 kVA and to retail

1 customers requesting unmetered services other than Lighting Services. The rate  
2 schedule sets forth the Monthly Rate (composed of the Customer Charge, the  
3 Metering Charge, and the Distribution System Charge and Transmission System  
4 Charge), the service riders that may apply to the rate schedule, and the Company's  
5 general terms of service under this rate schedule.

6 **Q. PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE DELIVERY**  
7 **SYSTEM CHARGES IN THE SECONDARY LESS THAN OR EQUAL TO**  
8 **10 kVA RATE SCHEDULE.**

9 A. CenterPoint Houston is proposing to update the delivery system charges in this rate  
10 schedule to reflect the revenue requirement by function as described in the  
11 Proposed CCOSS. Additionally, the Company proposes to calculate the billing  
12 determinants for all delivery system charges applicable to unmetered service  
13 furnished under this rate schedule on a 100% load factor basis. Non-rate changes  
14 to this rate schedule are discussed later in the testimony under Section IV.G. - Non-  
15 Rate Tariff Changes and in Exhibit MAT-7.

16 **3. Secondary Service Greater Than 10 kVA**

17 **Q. PLEASE DESCRIBE THE SECONDARY GREATER THAN 10 kVA**  
18 **SERVICE RATE SCHEDULE.**

19 A. This rate schedule is available to retail customers requesting delivery service for  
20 non-residential purposes with demands greater than 10 kVA and to retail customers  
21 requesting temporary service. The rate schedule sets forth the Monthly Rate  
22 (composed of the Customer Charge, the Metering Charge, and the Distribution  
23 System Charge and Transmission System Charge), the service riders that may apply

1 to the rate schedule, the method for determining the customer's billing demand, and  
2 the Company's general terms of service under this rate schedule.

3 **Q. PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE DELIVERY**  
4 **SYSTEM CHARGES IN THE SECONDARY GREATER THAN 10 kVA**  
5 **RATE SCHEDULE.**

6 A. As with the previous rate schedules, each delivery system charge has been updated  
7 to reflect the revenue requirement by function as determined from the Proposed  
8 CCOSS. Additionally, as a result of 16 TAC § 25.244,<sup>5</sup> the "Demand Ratchet" has  
9 been removed from the Distribution Service Charge in this rate schedule. As a  
10 result, "Billing Demand" now refers to NCP kVA as the applicable billing  
11 determinant. Additionally, as discussed in the testimony of Company witness  
12 John R. Hudson, the Company began an IDR Meter Replacement project in 2018  
13 to replace the IDR meters of customers in this rate class with AMS meters.  
14 However, the Company is not changing the IDR/non-IDR rate distinction for  
15 customers in this rate class. Instead, the Company is proposing to add the following  
16 new provision to the rate schedule:

17 The IDR Metered charges listed in the Monthly Rate section of  
18 this Rate Schedule are applicable to Retail Customers who have  
19 established an NCP demand greater than 700 kVA in any  
20 previous billing month, and to Retail Customers who were billed  
21 on a 4CP kVA basis prior to the effective date of this Rate  
22 Schedule, regardless of whether their Meter is an IDR Meter, a  
23 Standard Meter or other Meter.

24 Other non-rate changes to this rate schedule are discussed later in the testimony  
25 under Section IV.G. - Non-Rate Tariff Changes and in Exhibit MAT-7.

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<sup>5</sup> *Rulemaking to Establish Billing Demand For Certain Utility Customers Pursuant to PURA Section 36.009 and 16 Texas Administrative Code Section 25.244*, Project No. 39829 (May 24, 2012).

1                   **4.      Primary Service**

2   **Q.     PLEASE DESCRIBE THE PRIMARY SERVICE RATE SCHEDULE.**

3   A.     This rate schedule is available to retail customers requesting delivery service for  
 4           non-residential purposes at primary distribution voltage levels of between 12 and  
 5           60kV. The rate schedule sets forth the Monthly Rate (composed of the Customer  
 6           Charge, the Metering Charge, the Distribution System Charge and Transmission  
 7           System Charge), the service riders that may apply to the rate schedule, the method  
 8           for determining the customer's billing demand, and the Company's general terms  
 9           of service under this rate schedule.

10 **Q.     PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE DELIVERY**  
 11 **SYSTEM CHARGES IN THE PRIMARY SERVICE RATE SCHEDULE.**

12 A.     CenterPoint Houston is proposing to update the delivery system charges in this rate  
 13           schedule to reflect the revenue requirement by function as determined by the  
 14           Proposed CCOSS. Additionally, as in the case of the Secondary Greater than  
 15           10 kVA rate schedule, the Company is proposing to add the following new  
 16           provision to this rate schedule:

17                   The IDR Metered charges listed in the Monthly Rate section of  
 18                   this Rate Schedule are applicable to Retail Customers who have  
 19                   established an NCP demand greater than 700 kVA in any  
 20                   previous billing month, and to Retail Customers who were billed  
 21                   on a 4CP kVA basis prior to the effective date of this Rate  
 22                   Schedule, regardless of whether their Meter is an IDR Meter, a  
 23                   Standard Meter or other Meter.

24           Other non-rate changes to this rate schedule are discussed later in the testimony  
 25           under Section IV.G. - Non-Rate Tariff Changes and in Exhibit MAT-7.

1                   **5.       Transmission Service**

2   **Q.     PLEASE DESCRIBE THE TRANSMISSION SERVICE RATE SCHEDULE.**

3   A.     This rate schedule is available to retail customers requesting delivery service for  
4           non-residential purposes at transmission voltage levels (greater than 60kV). The  
5           rate schedule sets forth the Monthly Rate (composed of the Customer Charge, the  
6           Metering Charge, the Distribution System Charge and Transmission System  
7           Charge), the service riders that may apply to the rate schedule, the method for  
8           determining the customer's billing demand, and the Company's general terms of  
9           service under this rate schedule.

10 **Q.    PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE**  
11 **TRANSMISSION SERVICE RATE SCHEDULE.**

12 A.     CenterPoint Houston is proposing to update the delivery system charges in this rate  
13           schedule to reflect the revenue requirement by function as determined in the  
14           Proposed CCOS. Non-rate changes to this rate schedule are discussed later in the  
15           testimony under Section IV.G.- Non-Rate Tariff Changes and in Exhibit MAT-7.

16                   **6.       Lighting Services**

17                   **i.       Street Lighting Service**

18 **Q.    PLEASE DESCRIBE THE STREET LIGHTING SERVICE ("SLS")**  
19 **WITHIN THE LIGHTING SERVICES RATE SCHEDULE.**

20 A.     SLS is available to cities, governmental agencies, real estate developers, and other  
21           groups requesting the installation of street lighting. SLS provides for the  
22           installation, ownership, and maintenance of street light systems and fixtures, which  
23           may be affixed to existing distribution poles, if available, or to ornamental poles  
24           specifically installed by the Company for the street light fixtures (referred to as

1 “ornamental standards” in the SLS rate schedule), and the delivery of electric power  
2 and energy to such fixtures on an unmetered basis. The majority of the cost for  
3 providing this service are CenterPoint Houston’s installation costs of the systems,  
4 i.e., capital investment, and maintenance expenses associated with the specific  
5 lighting fixture. This rate schedule contains provisions governing the terms of  
6 service and the type of street lighting systems available, the Monthly Rate  
7 consisting of a Transmission and Distribution Charge per lamp type, and references  
8 to applicable service riders.

9 **Q. PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE DELIVERY**  
10 **SYSTEM CHARGES IN THE SLS SECTION OF THE LIGHTING**  
11 **SERVICES RATE SCHEDULE.**

12 A. The Company is updating the Transmission and Distribution Charges applicable to  
13 each lamp type to reflect the revenue requirement by function as determined in the  
14 Proposed CCOSS and replacing the Light Emitting Diode (“LED”) equivalent  
15 Transmission and Distribution Charge currently in the SLS rate schedule with a  
16 stand-alone LED Transmission and Distribution Charge, depending on the watts of  
17 the LED luminaire requested by a customer. The Company is also making LED  
18 luminaires the new street light standard “lamp type” for SLS. Company witness  
19 Julianne P. Sugarek’s testimony further discusses the reasoning for this proposed  
20 change to lighting service standards. Other non-rate changes to the SLS rate  
21 schedule are discussed later in the testimony under Section IV.G.- Non-Rate Tariff  
22 Changes and in Exhibit MAT-7.

1                                    **ii.        Miscellaneous Lighting Service**

2    **Q.     PLEASE DESCRIBE THE MISCELLANEOUS LIGHTING SERVICE**  
 3           **(“MLS”) SECTION WITHIN THE LIGHTING SERVICES RATE**  
 4           **SCHEDULE.**

5    A.     The MLS section of the Lighting Services rate schedule provides for the  
 6           installation, removal, operation, and maintenance of flood lights, guard lights,  
 7           security lights and other non-street light fixtures, and the delivery of electric power  
 8           and energy to such fixtures on an unmetered basis. Customers requesting lighting  
 9           service under the MLS section of this rate schedule must supply the light for the  
 10          Company to install. Only approved lights are accepted for installation. This section  
 11          of the rate schedule sets forth the Monthly Rate (consisting of a Fixture Charge, if  
 12          applicable, and Transmission and Distribution Charges), the service riders that may  
 13          apply to the rate schedule, and the Company’s general terms of service under this  
 14          section of the rate schedule.

15   **Q.     PLEASE DESCRIBE ANY CHANGES TO THE DELIVERY SYSTEM**  
 16           **CHARGES FOR MLS.**

17   A.     MLS charges have been updated to reflect the revenue requirement by function as  
 18           filed in the Proposed CCOSS, and new MLS charges for LED lamps have been  
 19           added. An overview of the LED lamp addition is discussed in Ms. Sugarek’s  
 20           testimony. Additionally, non-rate changes to this schedule are discussed later in  
 21           the testimony under Section IV.G. - Non-Rate Tariff Changes and in  
 22           Exhibit MAT-7.

1           **C.       Riders**

2                       **1.       Rider CTC – Competition Transition Charges**

3   **Q.    IS THE COMPANY PROPOSING ANY CHANGES TO RIDER CTC –**  
 4       **COMPETITION TRANSITION CHARGES?**

5   A.    Yes. Rider CTC is no longer applicable and will be removed from the Retail Tariff.

6                       **2.       Rider SBF – System Benefit Fund**

7   **Q.    IS THE COMPANY PROPOSING ANY CHANGES TO RIDER SBF -**  
 8       **SYSTEM BENEFIT FUND?**

9   A.    Yes. Rider SBF is no longer applicable and will be removed from the Retail Tariff.

10                      **3.       Rider NDC – Nuclear Decommissioning Charges**

11   **Q.    IS THE COMPANY PROPOSING ANY CHANGES TO RIDER NDC –**  
 12       **NUCLEAR DECOMMISSIONING CHARGES?**

13   A.    No. Rider NDC – Nuclear Decommissioning Charges was approved by the  
 14       Commission for CenterPoint Houston in Docket No. 49082,<sup>6</sup> consistent with  
 15       16 TAC § 25.303(g)(1). Rider NDC charges were calculated to collect from each  
 16       rate class the correct amount of nuclear decommissioning costs allocated to each  
 17       class. Section 25.303(g)(4) requires CenterPoint Houston to give at least 90 days’  
 18       notice to NRG Texas LLC (“NRG”) of an anticipated application for a general rate  
 19       case so that NRG can elect to request a change in the decommissioning funding  
 20       level during the rate case. CenterPoint Houston provided the required notice and  
 21       NRG notified CenterPoint Houston that it was electing not to request a change in

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<sup>6</sup> *Application of CenterPoint Energy Houston Electric, LLC For Approval of Revisions To Rider NDC Pursuant To 16 Texas Administrative Code Sections 22.33 and 25.303(g)(3), Docket No. 49082, Notice of Approval (Mar. 7, 2019).*

1 this proceeding, a copy of which is included as Exhibit MAT-11. Pursuant to  
2 16 TAC §§ 22.33 and 25.303(g)(3), any future changes in Rider NDC will be made  
3 in a separate proceeding.

4 **4. Rider TCRF – Transmission Cost Recovery Factor**

5 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE CHARGES TO**  
6 **RIDER TCRF - TRANSMISSION COST RECOVERY FACTOR?**

7 A. Yes. Consistent with the TCRF rule and Rider TCRF – Transmission Cost  
8 Recovery Factor at the conclusion of this case, the Company will be required to  
9 update the TCRF to reflect any changes in wholesale transmission rates that are not  
10 reflected in the Company’s base rates for Transmission Service. Also, CenterPoint  
11 Houston will update the Rider TCRF allocation factors to reflect the December 31,  
12 2018 Test Year unadjusted 4CP class allocation factors used for the allocation of  
13 transmission cost in the Proposed CCOSS. This means that the TCRF will be  
14 “reset” to “zero” subject to any pending interim Transmission Cost of Service cases  
15 from other Transmission Service Providers or other charges not appropriate for base  
16 rates (such as surcharges or rate case expenses) that go into effect after the Test  
17 Year.

18 **5. Rider EECRF – Energy Efficiency Cost Recovery Factor**

19 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE CHARGES**  
20 **FOR RIDER EECRF – ENERGY EFFICIENCY COST RECOVERY**  
21 **FACTOR?**

22 A. No. CenterPoint Houston’s most recent Rider EECRF filing was made in Docket  
23 No. 48420. Docket No. 48420 was approved on December 10, 2018, with new

1 rates effective with the commencement of the March 1, 2019 billing cycle. Thus,  
 2 the Company is not proposing any changes to this rate schedule.

3 **D. Transition Charges**

4 **Q. IS CENTERPOINT HOUSTON PROPOSING ANY CHANGES TO THE**  
 5 **TRANSITION CHARGES RATE SCHEDULES?**

6 A. Yes. The Company currently has four transition charge schedules in its Retail  
 7 Tariff: Schedules TC, TC2, TC3, and TC5. The Company is proposing to remove  
 8 Schedule TC from the Retail Tariff pursuant to the final order issued in Docket  
 9 No. 44041.<sup>7</sup> In that proceeding, the Commission approved the appropriate  
 10 aggregate amount to be refunded to retail electric providers in the CenterPoint  
 11 Houston territory, and such refund was issued as of the billing cycle of October 30,  
 12 2015. Pursuant to the order in Docket No. 44041, the Company has no other refund  
 13 obligations under this schedule and, accordingly, it is no longer applicable.

14 Schedule TC2 was approved in Docket No. 30485<sup>8</sup> and last updated in  
 15 Docket No. 48838<sup>9</sup> with an effective date of December 1, 2018. Schedule TC3 was  
 16 approved in Docket No. 34448<sup>10</sup> and last updated in Docket No. 49049<sup>11</sup> with an  
 17 effective date of February 1, 2019. Schedule TC5 was approved in Docket

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<sup>7</sup> *Compliance Filing of CenterPoint Energy Houston Electric, LLC For Rider TC Refund – Refund of Transition Charges*, Docket No. 44041, Final Order (May 22, 2015).

<sup>8</sup> *Application of CenterPoint Energy Houston Electric, LLC for a Financing Order*, Docket No. 30485, Order Denying Motions for Rehearing (Apr. 29, 2005).

<sup>9</sup> *Compliance Filing of CenterPoint Energy Houston Electric, LLC for a Standard True-Up of Transition Charges Under Schedule TC2*, Tariff Control No. 48838, Notice of Approval (Nov. 29, 2018).

<sup>10</sup> *Application of CenterPoint Energy Houston Electric, LLC for a Financing Order*, Docket No. 34448, Financing Order (Sept. 18, 2007).

<sup>11</sup> *Compliance Filing of CenterPoint Energy Houston Electric, LLC for a Standard True-Up of Transition Charges Under Schedule TC3*, Tariff Control No. 49049, Notice of Approval (Feb. 4, 2019).

1 No. 39809<sup>12</sup> and last updated in Docket No. 48884<sup>13</sup> with an effective date of  
2 December 15, 2018. These schedules have procedures for updates that are defined  
3 in the respective financing orders and are not subject to changes in this proceeding.

4 **E. Additional Charges**

5 **1. Schedule SRC – System Restoration Charges**

6 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO SCHEDULE SRC –**  
7 **SYSTEM RESTORATION CHARGES?**

8 A. No. Schedule SRC – System Restoration Charges is applicable to retail customers  
9 as outlined on Schedule SRC. The SRC charges were authorized by the Financing  
10 Order approved by the Commission in Docket No. 37200<sup>14</sup> and last updated in  
11 Docket No. 48685<sup>15</sup> with an effective date of October 15, 2018. This schedule has  
12 procedures for updates that are defined in the financing order and is not subject to  
13 changes in this proceeding.

14 **2. Rate ESS – Electric Service Switchovers**

15 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO RATE ESS –**  
16 **ELECTRIC SERVICE SWITCHOVERS?**

17 A. No. Rate ESS – Retail Electric Service Switchovers is applicable to customers that  
18 meet the provisions of the rate and choose to switch to another utility for their  
19 provision of electric delivery service. CenterPoint Houston proposes updating the

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<sup>12</sup> *Application of CenterPoint Energy Houston Electric, LLC for a Financing Order*, Docket No. 39809, Final Order (Oct. 27, 2011).

<sup>13</sup> *Compliance Filing of CenterPoint Energy Houston Electric, LLC for a Standard True-Up of Transition Charges Under Schedule TC5*, Tariff Control No. 48884, Notice of Approval (Dec. 12, 2018).

<sup>14</sup> *Application of CenterPoint Energy Houston Electric, LLC for a Financing Order*, Docket No. 37200, Financing Order (Aug. 27, 2009).

<sup>15</sup> *Compliance Filing of CenterPoint Energy Houston Electric, LLC for a Standard True-Up of Transition Charges Under Schedule SRC*, Tariff Control No. 48685, Notice of Approval (Oct. 16, 2018).

1 charges to reflect the current cost of providing this service but proposes no other  
2 changes.

3 **3. Rate CMC – Competitive Metering Credit**

4 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO RIDER CMC –**  
5 **COMPETITIVE METERING CREDIT?**

6 A. No. Rider CMC – Competitive Metering Credit is applicable to customers that  
7 qualify and choose to have a competitive meter. Rider CMC provides a credit to  
8 the billing for the customer to recognize that the meter is not owned or provided by  
9 CenterPoint Houston.

10 **4. Rate RCE – Rate Case Expenses Surcharge**

11 **Q. IS CENTERPOINT HOUSTON PROPOSING ANY CHANGES TO RIDER**  
12 **RCE - RATE CASE EXPENSES SURCHARGE?**

13 A. Yes. The Company has recovered all approved rate case expenses from previous  
14 dockets that were being recovered under this rider. However, the Company has  
15 deferred rate case expenses from previous rate filings and will incur new rate case  
16 expenses in this proceeding that will be recovered through Rider RCE. The  
17 Company proposes to change this rider to recover the level of rate case expenses  
18 that are determined to be reasonable by the Commission as a result of this  
19 proceeding. CenterPoint Houston proposes a three-year recovery period for  
20 Rider RCE. Rider RCE charges are applicable to each of the six rate classes. The  
21 proposed changes to Rider RCE are shown in Exhibit MAT-9.

**5. Rider AMS – Advanced Metering System Surcharge**

**Q. IS THE COMPANY PROPOSING ANY CHANGES TO RIDER AMS – ADVANCED METERING SYSTEM SURCHARGE?**

A. Yes. The AMS surcharge rider expired on February 28, 2017. In compliance with the final order related to the final reconciliation of advance metering cost in Docket No. 47364,<sup>16</sup> CenterPoint Houston returned the outstanding AMS over-collection amount at that time as an offset to its DCRF annual revenue requirement approved in Docket No. 47032.<sup>17</sup> In accordance with the final order issued in Docket No. 47032, CenterPoint Houston's DCRF rate was adjusted effective March 1, 2018 to reflect the final approved AMS refund amount and was allocated to the same customer classes that contributed to the AMS over-collection. Accordingly, Rider AMS will be eliminated from the Retail Tariff because it is no longer applicable.

**6. Rider ADFITC – Accumulated Deferred Federal Income Tax Credit**

**Q. IS THE COMPANY PROPOSING ANY CHANGES TO RIDER ADFITC – ACCUMULATED DEFERRED FEDERAL INCOME TAX CREDIT?**

A. No. Rider ADFITC – Accumulated Deferred Federal Income Tax Credit was implemented pursuant to a settlement agreement in Docket No. 37200<sup>18</sup> to provide customers with the accumulated deferred federal income tax benefits associated with Hurricane Ike restoration costs. Rider ADFITC was last updated in Docket

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<sup>16</sup> *Application of CenterPoint Energy Houston Electric, LLC for the Final Reconciliation of Advanced Metering Cost*, Docket No. 47364, Final Order (Dec. 14, 2017).

<sup>17</sup> *Application of CenterPoint Energy Houston Electric, LLC for Approval to Amend Its Distribution Cost Recovery Factor*, Docket No. 47032, Final Order (Jul. 28, 2017).

<sup>18</sup> Docket No. 37200, Financing Order (Aug. 27, 2009).

1 No. 48686,<sup>19</sup> with an effective date of October 15, 2018. Rider ADFITC has an  
 2 annual true-up provision similar to the Company's Schedule SRC, discussed above.  
 3 CenterPoint Houston is not proposing any changes to Rider ADFITC in this  
 4 proceeding.

5 **7. Rider DCRF – Distribution Cost Recovery Factor**

6 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO RIDER DCRF –**  
 7 **DISTRIBUTION COST RECOVERY FACTOR?**

8 A. Yes. The provisions of Rider DCRF were established in Project No. 39465. While  
 9 the Company is proposing no changes to the rider itself, the rates will change to  
 10 reflect the results of this rate case. The DCRF-related assets will be moved to base  
 11 rates per 16 TAC § 25.243.

12 **8. Rider UEDIT– Unprotected Excess Deferred Income Tax**

13 **Q. WHAT IS THE PURPOSE OF NEW RIDER UEDIT?**

14 A. The purpose of Rider UEDIT is to refund to customers the balance of unprotected  
 15 excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 that  
 16 changed the corporate federal income tax rate in 2018.

17 **Q. HOW IS THE REFUND CALCULATED?**

18 A. The refund for the billing month will be calculated by multiplying the appropriate  
 19 per-unit “refund factor” by the customer’s applicable billing determinant for the  
 20 current month. Rider UEDIT will remain in effect for three years from the original  
 21 effective date or until the Commission-approved amount is refunded. Ms. Colvin

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<sup>19</sup> *Compliance Filing of CenterPoint Energy Houston Electric, LLC for a Standard True-Up of Transition Charges Under Schedule ADFIT*, Tariff Control No. 48686, Notice of Approval (Oct. 16, 2018).

1 and Mr. Pringle explain the development and the accounting management of Rider  
2 UEDIT in their direct testimonies.

3 **Q. TO WHICH RATE CLASSES WILL RIDER UEDIT APPLY?**

4 A. The proposed Rider UEDIT is applicable to all Retail Customers receiving delivery  
5 service under the Company's rate schedules. The specific rate classes are:

- 6 • Residential Service;
- 7 • Secondary Service Less than or Equal to 10 kVA;
- 8 • Secondary Service Greater Than 10 kVA;
- 9 • Primary Service;
- 10 • Transmission Service; and
- 11 • Lighting Services.

12 **F. Discretionary Charges**

13 **Q. ARE ANY CHANGES PROPOSED TO THE DESCRIPTIONS IN THE**  
14 **DISCRETIONARY CHARGES SECTIONS OF CHAPTER SIX OF THE**  
15 **TARIFF RELATING TO UNIFORM DISCRETIONARY CHARGES?**

16 A. No. In Project No. 41121,<sup>20</sup> the Commission adopted comprehensive modifications  
17 to its pro forma retail tariff, including changes related to Discretionary Services and  
18 the timeliness with performing them. Pursuant to the Commission's order in that  
19 proceeding, CenterPoint Houston filed a compliance tariff in Tariff Control  
20 No. 42732<sup>21</sup> with revisions to the Retail Tariff to comply with the changes to  
21 16 TAC § 25.214. However, the Company is proposing to condense the three  
22 separate Discretionary Service Charge sections in the Retail Tariff for readability

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<sup>20</sup> *Rulemaking Proceeding to Amend TAC Section 25.214 and Pro-Forma Retail Delivery Tariff*, Project No. 41121, (Jun. 20, 2014).

<sup>21</sup> *CenterPoint Energy Houston Electric, LLC Compliance Tariff Filing Pursuant to Project No. 41121*, Tariff Control No. 42732, Notice of Approval (Nov. 14, 2014).

1 purposes, as discussed more fully later in Section IV.G of this testimony. A  
2 summary of all discretionary charges is provided in my Exhibit MAT-6.

3 **Q. IS CENTERPOINT HOUSTON PROPOSING TO UPDATE ITS**  
4 **DISCRETIONARY CHARGES IN THE RETAIL TARIFF?**

5 A. Yes. The Company proposes to update the charges for certain Discretionary  
6 Services to reflect the current cost of providing that service.

7 **Q. PLEASE DESCRIBE THE METHODOLOGY USED BY CENTERPOINT**  
8 **HOUSTON TO DETERMINE THE PROPOSED CHARGES FOR**  
9 **DISCRETIONARY SERVICES.**

10 A. For each discretionary service, the Company analyzed the various tasks associated  
11 with providing that service, such as specific labor skills, material needed, and time  
12 to perform the service. The specific type of labor assigned to each task was based  
13 on the required skills to perform each activity. The type of labor assigned to each  
14 task depended on whether the task called for craft labor or non-craft labor, or if the  
15 Company normally uses contract labor.<sup>22</sup> Where craft labor was required to  
16 perform a task, the straight time hourly labor rate for Transmission & Distribution  
17 craft service personnel was assigned. For more basic tasks requiring non-craft  
18 skills, the straight time hourly rate for a Field Service Representative (“FSR”) was  
19 assigned. The hourly rates for both of these labor categories include the cost  
20 associated with employee benefits, which is approximately 39.15% of the labor  
21 rate. The hourly labor rates were based on each specific type of labor’s hourly rate

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<sup>22</sup> Craft labor is labor that requires specialized Transmission or Distribution skill. Non-craft labor is labor that requires basic skills, i.e., FSR. Contract labor in this section only refers to labor skills limited to discretionary lighting service repairs.

1 for 2018. For tasks that required the service to be performed either on a priority  
2 basis, weekend, or holiday, the associated time-and-a-half or holiday rate was used.  
3 The labor costs associated with central dispatching was also included at \$0.89 per  
4 order.

5 Each cost category was stated on an hourly basis or a per-order basis (as  
6 appropriate) for consistency and ease of calculation. To calculate transportation  
7 costs on an hourly basis, the annual cost associated with the type of truck used by  
8 the service crew was divided by the annual service hours of 2,080. If any material  
9 or supplies are required for the service, the associated material cost including  
10 materials management and warehousing was included. For each service, the time  
11 to perform the service was developed based on actual service times presently being  
12 experienced in the field or adjusted for constrained time limits required by market  
13 rules. Finally, the hourly labor and transportation costs were multiplied by the  
14 number of hours it takes to perform each task. All costs were totaled to develop  
15 the proposed charge. The details and assumptions used to develop each service  
16 charge are provided in the IV-J-2 Schedules.

17 **Q. IS THIS METHODOLOGY CONSISTENT WITH THE METHODOLOGY**  
18 **APPROVED IN DOCKET NO. 38339?**

19 A. Yes. The methodology is consistent with the methodology approved in Docket  
20 No. 38339.<sup>23</sup>

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<sup>23</sup> Docket No. 38339, Order on Rehearing (Jun. 23, 2011).

1   **Q.   IS CENTERPOINT HOUSTON PROPOSING TO ADD ANY NEW**  
2       **DISCRETIONARY CHARGES IN THE RETAIL TARIFF?**

3   A.   Yes.  The Company proposes to add a new discretionary service, DC.7.1,  
4       Unmetered Attachment charge.  Unmetered attachments refer to non-lighting third  
5       party-owned camera and WIFI equipment that are attached to the Company's  
6       Delivery System facilities.  A charge will apply when the equipment owner requests  
7       the Company to dispatch personnel to investigate or take corrective actions with  
8       respect to such equipment.

9   **Q.   TO WHICH RATE CLASS WILL THE UNMETERED ATTACHMENT**  
10       **APPLY?**

11  A.   The Company proposes the rate to be applicable to Rate Schedule for Secondary  
12       Service Less than or Equal to 10 kVA, as shown in Exhibit MAT-9.  The rate will  
13       be an as-calculated charge that reflects the then-current cost of providing the  
14       services, or such other charge as otherwise agreed to in writing with the customer.

15  **Q.   WHAT OTHER DISCRETIONARY CHARGES IS CENTERPOINT**  
16       **HOUSTON PROPOSING TO UPDATE?**

17  A.   The Company proposes to update its Non-Standard Metering Service Recurring Fee  
18       to reflect the current ongoing costs to provide this service.

19  **Q.   WHAT IS THE NON-STANDARD METERING SERVICE RECURRING**  
20       **FEE?**

21  A.   The Non-Standard Metering Service Recurring Fee is a recurring monthly fee  
22       applicable to a customer who elected to receive electric service through a non-  
23       standard meter, as provided for under 16 TAC § 25.133.  The current ongoing

1 monthly fee of \$32.80, approved in Docket No. 41906,<sup>24</sup> is comprised of \$16.86 in  
 2 ongoing O&M cost and a \$15.94 amortized charge associated with \$8,956 in rate  
 3 case expenses related to litigation of this issue in Docket No. 41906 and \$62,370 in  
 4 Information Technology (“IT”) system modifications required to serve customers  
 5 selecting non-standard metered service. Pursuant to 16 TAC § 25.133(e)(2) and  
 6 the final order issued in Docket No. 41906, the Company is proposing to update the  
 7 monthly Non-Standard Metering Service Recurring Fee to \$40 fee to reflect the  
 8 current ongoing costs to provide this service.<sup>25</sup> The Company is also proposing to  
 9 update its one-time fees for customers taking this service.

10 **G. Non-Rate Tariff Changes**

11 **Q. HAVE YOU MADE ANY OTHER CHANGES TO THE RETAIL TARIFF**  
 12 **THAT ARE NOT CHANGES TO RATES?**

13 A. Yes. In addition to the changes to the actual rates included in the tariffs described  
 14 above, the Company is proposing additional “non-rate” tariff changes to the  
 15 provisions of the Company’s Retail Tariff. A summary of the non-rate tariff  
 16 changes is provided in Exhibit MAT-7.

17 **Q. PLEASE SUMMARIZE THE PROPOSED NON-RATE TARIFF**  
 18 **CHANGES.**

19 A. In addition to changes already detailed above, the Company proposes to make  
 20 changes to improve the readability of the Retail Tariff, remove redundant or  
 21 inapplicable language, improve consistency between tariffs that address the same

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<sup>24</sup> *Compliance Tariff of CenterPoint Energy Houston Electric, LLC Related to Non-Standard Metering Service Pursuant to TAC Rule 25.133*, Docket No. 41906, Final Order (May 16, 2014).

<sup>25</sup> The \$8,956 associated with rate case expenses have been fully recovered.

1 policies or provisions, and make the tariff more user-friendly. The Company also  
2 proposes to revise the Retail Tariff to incorporate the applicable terms of service in  
3 the specific rate schedules to which those terms of service apply and to move certain  
4 provisions to different sections of the Retail Tariff where those provisions were  
5 more logically addressed. The Company also incorporated certain forms of  
6 agreement that are often used by the Company in common transactions between the  
7 Company and its customers. Finally, the Company has updated its Construction  
8 Services policies and charges, including adding new provisions for facility  
9 extensions for electric vehicle public charging stations and for premium service  
10 requests from customers. These changes are summarized in Exhibit MAT-7.

11 **Q. WHY IS THE COMPANY MAKING THESE NON-RATE TARIFF**  
12 **CHANGES AT THIS TIME?**

13 A. The non-rate tariff changes are necessary for two reasons. First, the Company has  
14 added and revised language in the Retail Tariff many times throughout the years,  
15 some of which may be confusing or redundant or are no longer applicable, and this  
16 proceeding offers an opportunity to harmonize those revisions throughout the Retail  
17 Tariff for clarity and consistency. Also, some of the changes reflect the Company's  
18 experience in operating under these provisions over time and its understanding of  
19 how the provisions can be better worded so that they are easier for customers to  
20 understand and easier for the Company to apply. The basis for other non-rate tariff  
21 changes is addressed in the direct testimony of Ms. Sugarek.

1   **Q.   HAVE YOU INCLUDED A SUMMARY OF THE COMPANY'S**  
2       **PROPOSED RATE AND NON-RATE TARIFF CHANGES WITH YOUR**  
3       **TESTIMONY?**

4   A.   Yes. Exhibit MAT-8 is a redline showing the proposed revisions to the Retail  
5       Tariff.

6   **Q.   ARE THESE CHANGES REASONABLE?**

7   A.   Yes.

8               **V.   WHOLESALE TRANSMISSION SERVICE TARIFF**

9   **Q.   WHAT CHANGES ARE YOU PROPOSING TO THE WHOLESALE**  
10       **DELIVERY TARIFF?**

11   A.   I propose updating the charge in the Wholesale Transmission Service – WTS rate,  
12       Sheet No. 4.1 in the WTS Tariff, to reflect CenterPoint Houston's current cost of  
13       providing this service. This charge is determined by dividing CenterPoint  
14       Houston's Test Year adjusted Transmission cost by the year 2018 ERCOT 4CP  
15       addressed in Docket No. 48928.<sup>26</sup> This amount was then divided by 12 to derive  
16       the monthly charge. This proposed change for the WTS Tariff is shown in Exhibit  
17       MAT-10. In addition, the Company is removing from the WTS Tariff Rider IPC –  
18       Insurance Proceeds Credit because it is no longer applicable.

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<sup>26</sup> *Commission Staff's Petition to Set 2019 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas*, Docket No. 48928 (pending). It should be noted that although the 2019 4CP calculation had not been approved at the time this application was filed, the Company utilized the proposed rates pending approval in this proceeding for purposes of setting the wholesale charge.

**VI. CONCLUSION**

**Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

A. My testimony has provided the class cost of service studies for which I have provided a detailed discussion, explanation and justification for the methods used to allocate the functionalized costs to the customer classes. The class cost of service allocations are reasonable and appropriate and the Commission should approve their results. I have discussed the Retail and WTS Tariffs, including the Rate Schedules and their Terms and Conditions and the Service Rules and Regulations. These Tariffs should likewise be found reasonable and appropriate. I have provided an explanation and justification for each charge included in the Tariffs. These charges should be set at the proposed levels, which are consistent with PURA, the Commission's rules, cost causation principles and correspond with the total cost of service supported by other witnesses in this filing.

**Q. ARE THE TARIFFS AND RATE SCHEDULES YOU SPONSOR REASONABLE AND ACCURATE?**

A. Yes.

**Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

A. Yes, it does.

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

**AFFIDAVIT OF MATTHEW A. TROXLE**

BEFORE ME, the undersigned authority, on this day personally appeared Matthew A. Troxle who having been placed under oath by me did depose as follows:

1.     “My name is Matthew A. Troxle. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge.
2.     I have prepared the foregoing Direct Testimony and the information contained in this document is true and correct to the best of my knowledge.”

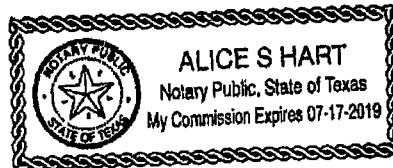
Further affiant sayeth not.

Matthew Troxle  
Matthew A. Troxle

SUBSCRIBED AND SWORN TO BEFORE ME on this 15<sup>th</sup> day of March,  
2019.

Alice S Hart  
Notary Public in and for the State of Texas

My commission expires: 07/17/2019



**MATTHEW A. TROXLE**  
**Director of Regulatory Affairs**  
**CenterPoint Energy Service Company, LLC**

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**CURRENT RESPONSIBILITIES (2015 – Present)**

Overall responsibilities include overseeing the rates and regulatory affairs, concerning natural gas distribution operations, at the Louisiana Public Service Commission and the Mississippi Public Service Commission. Responsible for developing and directing regulatory strategy and communicating the Company's position on complex business and regulatory issues to various parties. Direct oversight of all regulatory filings with the Regulatory Commissions, along with ensuring that regulatory orders and decisions are accurately implemented.

**PREVIOUS PROFESSIONAL EMPLOYMENT**

CenterPoint Energy Service Company, LLC – 2008 - Present

Director of Rates	2012-2015
Manager of Rates	2008-2012

Public Utility Commission of Texas – 1999 - Dec 2007

Director, Tariff and Rate Analysis	2007
Director, Retail Market Oversight	2005-2007
Senior Rate Analyst, Retail Market Oversight	2000-2005
Rate Analyst, Costing & Pricing	1999-2000

Louisiana Public Service Commission – 1997 - 1999

Economist, Economics & Rate Analysis Division	1997-1999
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**EDUCATION**

Louisiana State University, B.S., Business Administration/Pre-Law, 1995

Louisiana State University, M.S., Economics, 1997

**PREVIOUS TESTIMONY**

- **Arkansas Public Service Commission:**

**Docket No. 10-010-U** – *In the Matter of a Notice of Inquiry Into Energy Efficiency – March 2010, Rebuttal – April 2010.*

**Docket No. 07-081-TF** – *In the Matter of the Application of CenterPoint Energy Arkansas Gas For Approval of its “Quick Start” Energy Efficiency Program, Portfolio and Plan Including Its Cost Recovery Rider – July 2009, Rebuttal – September 2009, Sur-rebuttal – October 2009.*

- **Louisiana Public Service Commission:**

**Docket No. U-33437** – *Report of Earnings and Return on Equity for the Louisiana Division for the twelve months ending June 30, 2014 for CenterPoint Energy Arkla – June 2016.*

**Docket No. U-33438** – *Report of Earnings and Return on Equity for the Louisiana Division for the twelve months ending June 30, 2014 for CenterPoint Energy Entex – June 2016.*

- **Mississippi Public Service Commission:**

**Docket No. 2018-UN-71** – *Notice of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Mississippi Gas, Of the Filing Of Routine Changes In Its Rate Regulation Adjustment Rider – May 2018.*

**Docket No. 2018-UN-72** – *Notice of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Mississippi Gas, Of the Filing Of Routine Changes In Its Supplemental Growth Rider – May 2018.*

- **Public Utilities Commission of the State of Minnesota:**

**Docket No. G-008/GR-15-424** – *In the Matter of the Application of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas For Authority to Increase Rates for Natural Gas Utility Service in Minnesota – August 2015, Rebuttal – December 2015, Surrebuttal – January 2016.*

**Docket No. G-008/GR-13-316** – *In the Matter of the Application of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas For Authority to Increase Rates for Natural Gas Utility Service in Minnesota – August 2013, Rebuttal – December 2013.*

**Docket No. G-008/GR-08-1075** – *In the Matter of the Application of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas For Authority to Increase Rates for Natural Gas Utility Service in Minnesota – November 2008, Rebuttal – July 2009.*

- **Public Utility Commission of Texas:**

**Docket No. 44572** – *Application Of CenterPoint Energy Houston Electric, LLC For Approval Of A Distribution Cost Recovery Factor Pursuant To P.U.C. Substantive Rule 25.243 – April 2015, Rebuttal – June 2015, Settlement – June 2015.*

**Docket No. 42111** – *Complaint Of Nawaid Isa Against Ambit Energy And CenterPoint Energy Houston Electric, LLC – April 2015.*

**Docket No. 41906** – *Compliance Filing Of CenterPoint Energy Houston Electric, LLC For Approval Of A Revised Tariff For Retail Delivery Service In Compliance With New Substantive Rule 25.133 And Revised Substantive Rule 25.214 – September 2013, Settlement – April 2014.*

**Docket No. 41540** – *Application Of CenterPoint Energy Houston Electric, LLC, For Approval Of An Adjustment To Its Energy Efficiency Cost Recovery Factor – May 2013.*

**Docket No. 40356** – *Application Of CenterPoint Energy Houston Electric, LLC, For Approval Of An Adjustment To Its Energy Efficiency Cost Recovery Factor – May 2012.*

**Docket No. 39933** – *Application Of CenterPoint Energy Houston Electric, LLC, For Interim Update Of Wholesale Transmission Rate Pursuant To P.U.C. Substantive Rule §25.192(h)(1) – November 2011.*

**Docket No. 39066** – *Claims For September – December 1999 Period Severed From Docket No. 38780 (Remand Of Docket No. 20381, Proceeding To Modify ERCOT Transmission Rates For 1999 Pursuant To Subst. R. 23.67 – August 2011.*

**Docket No. 39633** – *Application Of CenterPoint Energy Houston Electric, LLC, For Interim Update Of Wholesale Transmission Rate Pursuant To P.U.C. Substantive Rule §25.192(h)(1) – August 2011.*

**Docket No. 39363** – *Application Of CenterPoint Energy Houston Electric, LLC, For Approval Of An Adjustment To Its Energy Efficiency Cost Recovery Factor – April 2011, Rebuttal – August 2011.*

**Docket No. 38339** – *Application Of CenterPoint Electric Delivery Company, LLC, For Authority To Change Rates – June 2010, Rebuttal – October 2010.*

**Docket No. 36701** – *Petition Of Texas Utility Solutions LLS For Declaratory Order Of Eligibility As A Transmission Service Customer – February 2010.*

**Docket No. 32766** – *Application Of Southwestern Public Service Company For (1) Authority To Change Rates; (2) Reconciliation Of Its Fuel Costs For 2004 And 2005; (3) Authority To Revise The Semi-Annual Formulae Originally Approved In Docket – January 2007.*

**Docket No. 32907** – *Application of Entergy Gulf States, Inc. For Determination Of Hurricane Reconstruction Costs – October 2006.*

**Docket No. 32093** – *Petition By Commission Staff For A Review Of The Rates Of CenterPoint Energy Houston Electric, LLC Pursuant To PURA §36.151 – August 2006.*

**Docket No. 28466** – *Application of Cap Rock Energy Corporation For Electric Service Tariff – August 2005.*

**Docket No. 30216** – *Notice Of Violation By Cap Rock Energy Of PURA Section 36.004(a) Relating To Equality Of Service And Rates And P.U.C. Subst. R. 25.241(b) Relating To Form And Filing of Tariff – April 2005, Rebuttal – June 2005.*

**Docket No. 30215** – *Notice Of Violation By Cap Rock Energy Of P.U.C. Subst. R. 25.28(b) Relating To Bill Payments And Adjustments – April 2005, Rebuttal - June 2005.*

**Docket No. 30706** – *Application Of CenterPoint Energy Houston Electric, LLC For A Competition Transition Charge (CTC) – March 2005.*

**Docket No. 28813** – *Petition To Inquire Into The Reasonableness Of The Rates And Services Of Cap Rock Energy Corporation – September 2004.*

**Docket No. 28840** – *Application Of AEP Texas Central Company For Authority To Change Rates – February 2004.*

**Docket No. 28980** – *Petition Of CenterPoint Energy Houston Electric, LLC For Finding That The 40% Threshold Under PURA §39.202(e) Has Been Met For Small Commercial Customers – January 2004.*

**Docket No. 28563** – *Compliance Filing Of Oncor Electric Delivery Company Pursuant To Subst. R. 25.311 Regarding Competitive Meter Ownership – November 2003.*

**Docket No. 28562** – *Compliance Filing And Petition Of CenterPoint Energy Houston Electric, LLC To Provide Competitive Metering Service Credit Pursuant To PUC Subst. R. 25.311 – November 2003.*

**Docket No. 28560** – *Compliance Filing Of AEP Texas North Company To Provide Competitive Metering Credit – November 2003.*

**Docket No. 28559** – *Compliance Filing Of AEP Texas Central Company To Provide Competitive Metering Credit – November 2003.*

**Docket No. 28556** – *Texas-New Mexico Power Company's Compliance Filing To Provide Competitive Metering Credit Pursuant To Subst. R. 25.311 – November 2003.*

**Docket No. 28585** – *Application Of TXU SESCO Energy Services Company To Increase Price To Beat Fuel Factors And Reduce Price To Beat Base Rates – October 2003 – Adopted Testimony of Brian H. Lloyd.*

**Docket No. 25421** – *Application of LCRA Transmission Services Corp. to Charge Rates for Transmission and Transformation Utility Cost of Service – October 2002.*

**Docket No. 25429** – *Appeal of Oncor From An Ordinance of the City of Allen and Request for Interim Relief – August 2002.*

**Docket No. 25960** – *Application of Brazos Electric Power Cooperative, Inc. to Change Rates for Wholesale Transmission Service – Interim Rates Phase – August 2002.*

**Docket No. 25874** – *Application of Mutual Energy WTU, LP to Increase Price to Beat Fuel Factors – May 2002.*

**Docket No. 24449** – *Application of Southwestern Electric Power Company to Implement the Fuel Factor Component of Price to Beat Rates – October 2001.*

**Docket No. 24336** – *Application of Entergy Gulf States, Inc. for Approval of Price to Beat Fuel Factor – September 2001.*

**Docket No. 24194** – *Application of Texas-New Mexico Power Company to Establish Price to Beat Fuel Factor – August 2001.*

**Docket No. 24040** – *Application of TXU Electric Company to Implement Price to Beat Fuel Factors – August 2001.*

**Docket No. 23950** – *Petition of Reliant Energy, Inc. to Establish Price to Beat Fuel Factor and Request for Good Cause Exception to Subst. R. 25.41 – July 2001.*

**Docket No. 22351** – *Application of Southwestern Public Service for Approval of Unbundled Cost of Service Rate Pursuant to PURA §39.201 and Public Utility Commission Substantive Rule §25.344 – February 2001.*

**Docket No. 22350** – *Application of TXU Electric Company for Approval of Unbundled Cost of Service Rate Pursuant to PURA §39.201 and Public Utility Commission Substantive Rule §25.344 – February 2001.*

**Docket No. 22356** – *Application of Entergy Gulf States Inc. for Approval of Unbundled Cost of Service Rate Pursuant to PURA §39.201 and Public Utility Commission Substantive Rule §25.344 – January 2001.*

**Docket No. 22355** – *Application of Reliant Energy Incorporated for Approval of Unbundled Cost of Service Rate Pursuant to PURA §39.201 and Public Utility Commission Substantive Rule §25.344 – December 2000.*

**Docket No. 22350** – *Application of TXU Electric Company for Approval of Unbundled Cost of Service Rate Pursuant to PURA §39.201 and Public Utility Commission Substantive Rule §25.344 – November 2000.*

**Docket No. 22349** – *Application of Texas-New Mexico Power Company for Approval of Unbundled Cost of Service Rate Pursuant to PURA §39.201 and Public Utility Commission Substantive Rule §25.344 – ECOM Phase – September 2000.*

- **Railroad Commission of Texas:**

**Docket No. 9902** – *Statement of Intent of CenterPoint Energy Resources Corp., D/B/A CenterPoint Energy Entex and CenterPoint Energy Texas Gas To Increase Rates On a Division Wide Basis In the Houston Division – July 2009, Rebuttal – October 2009.*

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
SUMMARY OF ADJUSTMENTS TO BILLING DETERMINANTS  
FOR THE YEAR ENDING DECEMBER 31, 2018

Sponsor: M Troxle

Rate Class	Docket 38339 Billing Determinants	Unadjusted Billing Determinants	Weather Adjustments	Customer Adjustments	Energy Efficiency Adjustments	Fully-Adjusted Billing Determinants	Amount Increase/Decrease	Percent	Since 38339 Increase/Decrease	Since 38339 Percent
Residential (kWh)	24,180,783,535	30,568,694,098	(1,578,040,193)	210,838,213	(46,516,467)	29,154,975,651	(1,413,718,447)	-4.62%	4,994,192,116	17%
Secondary <=10 kVA (kWh)	1,119,080,004	925,933,864	(11,584,670)	6,687,755	(2,745,308)	918,291,641	(7,642,223)	-0.83%	(200,768,363)	-22%
Secondary > 10 kVA (No Ratchet)	104,172,072	81,391,986	(1,185,445)	1,828,782		82,033,303	641,317	0.79%	(22,138,769)	-27%
Non-IDR		52,389,429	(958,424)	876,803						
IDR		29,002,557	(227,021)	949,959						
Primary (Billing kVA)	10,950,671	13,224,166	(63,341)	300,150		13,460,975	236,809	1.79%	2,510,304	19%
Non-IDR		1,178,950	(18,723)	22,542						
IDR		12,045,216	(44,618)	277,608						
Transmission (4CP kVA)	24,935,808	29,729,170		67,442		29,796,612	67,442	0.23%	4,860,804	16%
Street Lighting (kWh)	239,796,600	197,624,517		6,650,657		204,275,174	6,650,657	3.37%	(35,521,426)	-17%
Miscellaneous Lighting (kWh)	58,125,000	49,990,351		(999,755)		48,990,596	(999,755)	-2.00%	(9,134,404)	-19%
Total	25,717,823,690	31,886,588,152	(1,590,873,650)	225,371,224	(49,261,775)	30,451,823,951	(1,414,764,201)	-4.44%	4,734,000,261	16%

Exhibit MAT-3  
Class Allocation Summary  
Page 1 of 1

PUBLIC UTILITY COMMISSION OF TEXAS  
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
II-I-CLASS ALLOCATION SUMMARY  
TEST YEAR ENDED 12/31/2018  
DOCKET NUMBER PENDING ASSIGNMENT  
SPONSOR: M. TROXLE  
(THOUSANDS OF DOLLARS)

Line No	Description	Total	Residential	Secondary <= 10 KVA	Secondary > 10 KVA	Primary Voltage	Transmission Voltage	Lighting SLS	Lighting MLS
<b>PROPOSED</b>									
1	Base + TCRF Revenue	2,282,204	1,217,815	30,607	739,867	70,090	162,434	58,265	3,127
2	Other Revenue	66,092	34,275	707	21,352	1,938	5,424	2,314	81
3	<b>Electric Operating Revenue</b>	<b>2,348,296</b>	<b>1,252,090</b>	<b>31,314</b>	<b>761,219</b>	<b>72,028</b>	<b>167,858</b>	<b>60,579</b>	<b>3,208</b>
4	Revenue Deductions	1,869,238	994,669	25,530	609,456	58,779	140,997	37,376	2,431
5	<b>Net Income from Operations</b>	<b>479,058</b>	<b>257,421</b>	<b>5,785</b>	<b>151,763</b>	<b>13,249</b>	<b>26,861</b>	<b>23,202</b>	<b>777</b>
6	Rate Base	6,482,512	3,483,368	78,275	2,053,632	179,276	363,476	313,971	10,514
7	% Rate of Return	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%
8	Relative Rate of Return	100%	100%	100%	100%	100%	100%	100%	100%
9									
10									
11	<b>CURRENT ADJUSTED</b>								
12	Base + TCRF Revenue + DCRF Revenue	2,095,600	1,130,553	32,595	654,965	66,701	143,212	63,739	3,835
13	Other Revenue	66,092	34,275	707	21,352	1,938	5,424	2,314	81
14	<b>Electric Operating Revenue</b>	<b>2,161,692</b>	<b>1,164,829</b>	<b>33,302</b>	<b>676,318</b>	<b>68,639</b>	<b>148,636</b>	<b>66,053</b>	<b>3,916</b>
15	Revenue Deductions	1,862,509	994,271	26,568	600,611	59,093	138,442	40,838	2,684
16	<b>Net Income from Operations</b>	<b>299,184</b>	<b>170,557</b>	<b>6,734</b>	<b>75,707</b>	<b>9,546</b>	<b>10,194</b>	<b>25,215</b>	<b>1,231</b>
17	Rate Base	6,482,512	3,483,368	78,275	2,053,632	179,276	363,476	313,971	10,514
18	% Rate of Return	4.62%	4.90%	8.60%	3.69%	5.32%	2.80%	8.03%	11.71%
19	Relative Rate of Return	100%	106%	186%	80%	115%	61%	174%	254%
20									
21									
22	<b>PROPOSED VS CURRENT</b>								
23	Base + TCRF Revenue - \$	\$ 186,603	\$ 87,261	\$ (1,988)	\$ 84,902	\$ 3,388	\$ 19,222	\$ (5,474)	\$ (708)
24	Base + TCRF Revenue - %	8.90%	7.72%	-6.10%	12.96%	5.08%	13.42%	-8.59%	-18.47%
25	Other Revenue - \$	0	-	-	-	-	-	-	-
26	Other Revenue - %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	Total Revenue - \$	\$ 186,603	\$ 87,261	\$ (1,988)	\$ 84,902	\$ 3,388	\$ 19,222	\$ (5,474)	\$ (708)
28	Total Revenue - %	8.63%	7.49%	-5.97%	12.55%	4.94%	12.93%	-8.29%	-18.09%

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PROOF OF REVENUE STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2018

TOTAL REVENUE (\$)

Sponsor: M. Troxle

	Current Adjusted Revenue	Target Proposed Revenue	Actual Proposed Revenue	Amount Increase/Decrease	Percent
Residential	\$ 1,130,553,347	\$ 1,217,814,820	\$ 1,217,814,820	\$ 87,261,473	7.72%
Secondary <=10 kVA	\$ 32,594,719	\$ 30,607,020	\$ 30,607,020	\$ (1,987,699)	-6.10%
Secondary > 10 kVA	\$ 654,965,407	\$ 739,867,066	\$ 739,867,066	\$ 84,901,659	12.96%
Primary	\$ 66,701,177	\$ 70,089,549	\$ 70,089,549	\$ 3,388,372	5.08%
Transmission	\$ 143,211,958	\$ 162,433,957	\$ 162,433,957	\$ 19,221,999	13.42%
Street Lighting	\$ 63,729,997	\$ 58,264,534	\$ 58,264,534	\$ (5,465,463)	-8.58%
Miscellaneous Lighting	\$ 3,843,864	\$ 3,126,732	\$ 3,126,732	\$ (717,132)	-18.66%
<b>Total Revenue Requirement</b> (Includes TCRF & DCRF)	<b>\$ 2,095,600,469</b>	<b>\$ 2,282,203,678</b>	<b>\$ 2,282,203,678</b>	<b>\$ 186,603,209</b>	<b>8.90%</b>
EECRF **	\$ 46,321,856	\$ 46,321,856	\$ 46,321,856	\$ -	0.00%
Franchise Fees	\$ (138,680,553)	\$ (152,783,133)	\$ (152,783,133)	\$ (14,102,581)	10.17%
CMC	\$ -	\$ -	\$ -	\$ -	0.00%
TC2*	\$ 201,877,355	\$ 201,877,355	\$ 201,877,355	\$ -	0.00%
TC3*	\$ 55,105,153	\$ 55,105,153	\$ 55,105,153	\$ -	0.00%
TC5*	\$ 144,616,481	\$ 144,616,481	\$ 144,616,481	\$ -	0.00%
SRC*	\$ 52,362,517	\$ 52,362,517	\$ 52,362,517	\$ -	0.00%
ADFIT*	\$ (6,377,546)	\$ (6,377,546)	\$ (6,377,546)	\$ -	0.00%
Nuclear Decommissioning Fee*	\$ 197,708	\$ 197,708	\$ 197,708	\$ -	0.00%
UEDIT***	\$ -	\$ (32,358,663)	\$ (32,358,663)	\$ (32,358,663)	100.00%
RCE	\$ -	\$ 4,405,000	\$ 4,405,000	\$ 4,405,000	100.00%
<b>Total Riders</b>	<b>\$ 355,422,972</b>	<b>\$ 313,366,727</b>	<b>\$ 313,366,727</b>	<b>\$ (42,056,244)</b>	<b>-11.83%</b>
<b>Sub-Total Revenue</b>	<b>\$ 2,451,023,440</b>	<b>\$ 2,595,570,405</b>	<b>\$ 2,595,570,405</b>	<b>\$ 144,546,965</b>	<b>5.90%</b>
Other Revenue	\$ 55,010,054	\$ 66,092,000	\$ 66,092,000	\$ 11,081,947	20.15%
<b>Total Revenue</b>	<b>\$ 2,506,033,494</b>	<b>\$ 2,661,662,405</b>	<b>\$ 2,661,662,405</b>	<b>\$ 155,628,912</b>	<b>6.21%</b>

\* The revenue amounts shown for these charges reflect the amounts approved in the specific Dockets they were approved in. These riders are not the subject of this rate case and the charges within each rider remain the same.

\*\* This reflects total program costs per Substantive Rule 25.181(f)(4), that any base rate case filed shall not be set to recovery energy efficiency costs.

\*\*\* Proposed Rider - Unprotected Excess Deferred Income Tax.

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PROOF OF REVENUE STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2018

TOTAL REVENUE (\$)

Sponsor: M. Troxle

	Current Adjusted Revenue	Target Proposed Revenue	Actual Proposed Revenue	Amount Increase/Decrease	Percent
Residential	\$ 871,066,722	\$ 1,217,814,820	\$ 1,217,814,820	\$ 346,748,098	39.81%
Secondary <=10 kVA	\$ 25,994,553	\$ 30,607,020	\$ 30,607,020	\$ 4,612,468	17.74%
Secondary > 10 kVA	\$ 463,242,266	\$ 739,867,066	\$ 739,867,066	\$ 276,624,799	59.71%
Primary	\$ 47,563,144	\$ 70,089,549	\$ 70,089,549	\$ 22,526,405	47.36%
Transmission	\$ 80,864,941	\$ 162,433,957	\$ 162,433,957	\$ 81,569,016	100.87%
Street Lighting	\$ 61,630,658	\$ 58,264,534	\$ 58,264,534	\$ (3,366,124)	-5.48%
Miscellaneous Lighting	\$ 3,340,385	\$ 3,126,732	\$ 3,126,732	\$ (213,653)	-6.40%
<b>Sub-Total</b>	<b>\$ 1,553,702,669</b>	<b>\$ 2,282,203,678</b>	<b>\$ 2,282,203,678</b>	<b>\$ 728,501,009</b>	<b>46.89%</b>
<b>Total Revenue Requirement</b>	<b>\$ 1,553,702,669</b>	<b>\$ 2,282,203,678</b>	<b>\$ 2,282,203,678</b>	<b>\$ 728,501,009</b>	<b>46.89%</b>
TCRF ***	\$ 509,908,448	\$ -	\$ -	\$ (509,908,448)	-100.00%
RCE	\$ -	\$ 4,405,000	\$ 4,405,000	\$ 4,405,000	100.00%
EECRF **	\$ 46,321,856	\$ 46,321,856	\$ 46,321,856	\$ -	0.00%
Franchise Fees	\$ (138,680,553)	\$ (152,783,133)	\$ (152,783,133)	\$ (14,102,581)	10.17%
CMC	\$ -	\$ -	\$ -	\$ -	0.00%
TC2*	\$ 201,877,355	\$ 201,877,355	\$ 201,877,355	\$ -	0.00%
TC3*	\$ 55,105,153	\$ 55,105,153	\$ 55,105,153	\$ -	0.00%
TC5*	\$ 144,616,481	\$ 144,616,481	\$ 144,616,481	\$ -	0.00%
SRC*	\$ 52,362,517	\$ 52,362,517	\$ 52,362,517	\$ -	0.00%
ADFIT*	\$ (6,377,546)	\$ (6,377,546)	\$ (6,377,546)	\$ -	0.00%
Nuclear Decommissioning Fee*	\$ 197,708	\$ 197,708	\$ 197,708	\$ -	0.00%
UEDIT ****	\$ -	\$ (32,358,663)	\$ (32,358,663)	\$ (32,358,663)	100.00%
DCRF	\$ 31,989,352	\$ -	\$ -	\$ (31,989,352)	-100.00%
<b>Total Riders</b>	<b>\$ 897,320,772</b>	<b>\$ 313,366,727</b>	<b>\$ 313,366,727</b>	<b>\$ (583,954,044)</b>	<b>-65.08%</b>
<b>Sub-Total Revenue</b>	<b>\$ 2,451,023,440</b>	<b>\$ 2,595,570,405</b>	<b>\$ 2,595,570,405</b>	<b>\$ 144,546,965</b>	<b>5.90%</b>
Other Revenue	\$ 55,010,054	\$ 66,092,000	\$ 66,092,000	\$ 11,081,947	20.15%
<b>Total Revenue</b>	<b>\$ 2,506,033,494</b>	<b>\$ 2,661,662,405</b>	<b>\$ 2,661,662,405</b>	<b>\$ 155,628,912</b>	<b>6.21%</b>

\* The revenue amounts shown for these charges reflect the amounts approved in the specific Dockets they were approved in. These riders are not the subject of this rate case and the charges within each rider remain the same.

\*\* This reflects total program costs per Substantive Rule 25.181(f)(4), that any base rate case filed shall not be set to recovery energy efficiency costs.

\*\*\* Target proposed amount reflects TCOS dockets associated with rate case. TCOS has been rolled into base rates.

\*\*\*\* Proposed Rider - Unprotected Excess Deferred Income Tax.

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
RATE DESIGN SUMMARY  
FOR THE YEAR ENDING DECEMBER 31, 2018

Sponsor: M. Troxle

CURRENT AND PROPOSED CHARGES (General Rate Schedules)					
CLASS	Type of Charge	Current Charge	Proposed Charge	Inc. or Dec.	Billing Unit
RESIDENTIAL	Customer	\$1.62	\$2.48	\$0.86	per meter
	Metering	\$3.85	\$1.95	(\$1.90)	per meter
	Transmission	\$0.008439	\$0.015080	\$0.006641	per kWh
	Distribution	\$0.016489	\$0.022680	\$0.006191	per kWh
SECONDARY =<10 Kva (Small)	Customer	\$1.61	\$2.44	\$0.83	per meter
	Metering	\$4.41	\$2.11	(\$2.30)	per meter
	Transmission	\$0.004437	\$0.009020	\$0.004583	per kWh
	Distribution	\$0.012218	\$0.015510	\$0.003292	per kWh
SECONDARY >10Kva (Large)	Customer				
	NON-IDR	\$2.26	\$3.22	\$0.96	per meter
	IDR	\$65.83	\$48.28	(\$17.55)	per meter
	Metering				
	NON-IDR	\$18.82	\$6.90	(\$11.92)	per meter
	IDR	\$63.07	\$79.91	\$16.84	per meter
	Transmission				
	NON-IDR	\$1.4318	\$2.7140	\$1.28	per NCP Kva
PRIMARY	IDR	\$2.2387	\$4.0531	\$1.81	per 4 CP Kva
	Distribution	\$3.059429	\$4.835920	\$1.77649	per Billing Kva
	Customer				
	NON-IDR	\$3.58	\$4.83	\$1.25	per meter
	IDR	\$76.73	\$61.26	(\$15.47)	per meter
	Metering				
	NON-IDR	\$181.35	\$285.55	\$104.20	per meter
	IDR	\$138.40	\$198.72	\$60.32	per meter
TRANSMISSION	Transmission				
	NON-IDR	\$1.7033	\$2.7359	\$1.03	per NCP Kva
	IDR	\$2.1546	\$3.9405	\$1.79	per 4 CP Kva
	Distribution	\$2.002820	\$2.524110	\$0.52	per Billing Kva
TRANSMISSION	Customer	\$154.44	\$222.94	\$68.50	per meter
	Metering	\$1,449.82	\$1,456.82	\$7.00	per meter
	Transmission	\$2.1188	\$4.7203	\$2.60	per 4 CP Kva
	Distribution	\$0.463296	\$0.593150	\$0.13	per 4 CP Kva

CURRENT AND PROPOSED CHARGES (Rider Schedules) (Not Including TCs or SRC/ADFIT)					
CLASS	Type of Charge	Current Charge	Proposed Charge	Inc. or Dec.	Billing Unit
Residential	RCE	N/A	\$0.000081	\$0.000081	per kWh
Secondary <=10 Kva	RCE	N/A	\$0.000064	\$0.000064	per kWh
Secondary > 10 Kva	RCE	N/A	\$0.017407	\$0.017407	per Billing Kva
Primary	RCE	N/A	\$0.010037	\$0.010037	per Billing Kva
Transmission	RCE	N/A	\$0.010567	\$0.010567	per 4 CP Kva
Lighting	RCE	N/A	\$0.000556	\$0.000556	per kWh
Residential	TCRF	\$0.004636	\$0.000000	(\$0.004636)	per kWh
Secondary <=10 Kva	TCRF	\$0.005007	\$0.000000	(\$0.005007)	per kWh
Secondary > 10 Kva					
IDR	TCRF	\$2.220816	\$0.000000	(\$2.220816)	per 4 CP Kva
Non-IDR	TCRF	\$1.154194	\$0.000000	(\$1.154194)	per NCP Kva
Primary					
IDR	TCRF	\$1.898137	\$0.000000	(\$1.898137)	per 4 CP Kva
Non-IDR	TCRF	\$1.289805	\$0.000000	(\$1.289805)	per NCP Kva
Transmission	TCRF	\$1.632335	\$0.000000	(\$1.632335)	per 4 CP Kva
Lighting Services:					
Street Lighting	TCRF	\$0.000000	\$0.000000	\$0.000000	per kWh
Miscellaneous Lighting	TCRF	\$0.000000	\$0.000000	\$0.000000	per kWh
Residential	EECRF	\$0.000728	\$0.000728	\$0.000000	per kWh
Secondary <=10 Kva	EECRF	\$0.001478	\$0.001478	\$0.000000	per kWh
Secondary > 10 Kva	EECRF	\$0.000611	\$0.000611	\$0.000000	per kWh
Primary	EECRF	\$0.000559	\$0.000559	\$0.000000	per kWh
Transmission (Non Profit)	EECRF	\$0.000279	\$0.000279	\$0.000000	per kWh
Transmission (Industrial)	EECRF	\$0.000000	\$0.000000	\$0.000000	per kWh
Lighting Service	EECRF	\$0.000000	\$0.000000	\$0.000000	per kWh
Secondary > 10 Kva	CMC	\$1.32	\$11.33	\$10.011163	per meter
Primary	CMC	\$2.14	\$10.72	\$8.581835	per meter
Transmission	CMC	\$21.80	\$15.38	(\$6.422033)	per meter
Residential	UEDIT	N/A	(\$0.000592)	(\$0.000592)	per kWh
Secondary <=10 Kva	UEDIT	N/A	(\$0.000470)	(\$0.000470)	per kWh
Secondary > 10 Kva	UEDIT	N/A	(\$0.127867)	(\$0.127867)	per Billing Kva
Primary	UEDIT	N/A	(\$0.073733)	(\$0.073733)	per Billing Kva
Transmission	UEDIT	N/A	(\$0.077627)	(\$0.077627)	per 4 CP Kva
Street Lighting	UEDIT	N/A	(\$0.004086)	(\$0.004086)	per kWh
Miscellaneous Lighting	UEDIT	N/A	(\$0.000902)	(\$0.000902)	per kWh
Residential	DCRF	\$0.000655	\$0.000000	(\$0.000655)	per kWh
Secondary <=10 Kva	DCRF	\$0.000812	\$0.000000	(\$0.000812)	per kWh
Secondary > 10 Kva	DCRF	\$0.107617	\$0.000000	(\$0.107617)	per Billing Kva
Primary	DCRF	\$0.048612	\$0.000000	(\$0.048612)	per Billing Kva
Transmission	DCRF	\$0.001865	\$0.000000	(\$0.001865)	per 4 CP Kva
Lighting Service	DCRF	\$0.010512	\$0.000000	(\$0.010512)	per kWh

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
 RATE DESIGN SUMMARY  
 FOR THE YEAR ENDING DECEMBER 31, 2018

Sponsor: M. Troxle

STREET LIGHT SERVICES: CURRENT AND PROPOSED CHARGES																
Lamp Type	Lumen	Rate Sched. A		Increase/ (Reduction)	Rate Sched. B		Increase/ (Reduction)	Rate Sched. C		Increase/ (Reduction)	Rate Sched. D		Increase/ (Reduction)	Rate Sched. E		Increase/ (Reduction)
		Current	Proposed		Current	Proposed		Current	Proposed		Current	Proposed		Current	Proposed	
Mercury Vapor	22600	\$5.15	\$4.43	(\$0.72)	\$17.75	\$18.93	\$1.18	\$11.50	N/A	\$0.00	\$19.75	\$13.20	(\$6.55)	\$13.14	\$11.78	(\$1.36)
Mercury Vapor	7800	\$3.64	\$3.88	\$0.24	N/A	N/A	N/A	N/A	N/A	N/A	\$15.89	\$12.64	(\$3.25)	\$10.40	N/A	\$0.00
Mercury Vapor	4200	\$3.54	\$3.90	\$0.36	\$16.91	\$18.45	\$1.54	N/A	N/A	N/A	\$13.70	\$12.67	(\$1.03)	N/A	N/A	N/A
High Pressure Sodium	50000	\$7.93	\$4.40	(\$3.53)	\$20.65	\$18.90	(\$1.75)	\$14.01	N/A	\$0.00	\$23.28	\$13.17	(\$10.11)	\$15.50	\$11.75	(\$3.75)
High Pressure Sodium	28000	\$5.15	\$4.27	(\$0.88)	\$17.75	\$18.77	\$1.02	\$11.66	\$10.33	(\$1.33)	\$19.75	\$13.04	(\$6.71)	\$13.15	\$11.62	(\$1.53)
High Pressure Sodium	15000	\$3.64	\$4.15	\$0.51	\$16.20	\$18.64	\$2.44	\$10.77	\$10.20	(\$0.57)	\$15.89	\$12.92	(\$2.97)	\$10.40	\$11.50	\$1.10
High Pressure Sodium	9500	\$3.64	\$4.13	\$0.49	\$16.20	\$18.59	\$2.39	N/A	N/A	N/A	\$12.92	\$12.90	(\$0.02)	\$8.88	\$11.48	\$2.60
High Pressure Sodium	6000	\$3.58	\$4.09	\$0.51	\$16.13	\$18.59	\$2.46	N/A	N/A	N/A	\$12.46	\$12.86	\$0.40	N/A	N/A	N/A
Metal Halide	32200	\$9.49	\$5.41	(\$4.08)	N/A	N/A	N/A	N/A	N/A	N/A	\$23.94	\$19.43	(\$4.51)	\$18.56	\$16.00	(\$2.56)
Metal Halide	19475	\$10.34	\$10.00	(\$0.34)	N/A	N/A	N/A	N/A	N/A	N/A	\$26.43	\$18.62	(\$7.81)	\$18.35	\$15.17	(\$3.18)
Metal Halide	12900	\$11.01	\$8.00	(\$3.01)	N/A	N/A	N/A	N/A	N/A	N/A	\$23.52	\$16.70	(\$6.82)	\$17.09	\$14.33	(\$2.76)
Metal Halide	7900	\$11.69	\$7.30	(\$4.39)	N/A	N/A	N/A	N/A	N/A	N/A	\$23.29	\$16.00	(\$7.29)	\$19.68	\$13.63	(\$6.05)
Light Emitting Diode	15100	\$7.93	\$5.22	(\$2.71)	\$20.56	N/A	\$0.00	\$14.01	N/A	\$0.00	\$23.28	\$7.01	(\$16.27)	\$15.50	\$25.73	\$10.23
Light Emitting Diode	10850	\$5.15	\$4.79	(\$0.36)	\$17.75	\$19.24	\$1.49	\$11.66	\$22.27	\$10.61	\$19.75	\$13.58	(\$6.17)	\$13.15	\$12.44	(\$0.71)
Light Emitting Diode	7900	\$3.64	\$4.39	\$0.75	\$16.20	\$18.84	\$2.64	\$10.77	\$10.73	(\$0.04)	\$15.89	\$13.18	(\$2.71)	\$10.40	\$12.03	\$1.63
Light Emitting Diode	4800	\$3.54	\$3.94	\$0.40	\$16.20	\$18.39	\$2.19	N/A	N/A	N/A	\$13.70	\$12.73	(\$0.97)	\$8.88	\$11.59	\$2.71
Light Emitting Diode	2000	\$0.00	\$3.94	\$3.94	N/A	N/A	N/A	N/A	N/A	N/A	\$0.00	\$12.73	\$12.73	N/A	N/A	N/A

MISCELLANEOUS LIGHTING SERVICES CURRENT AND PROPOSED CHARGES										
Lamp Type	Lumen	Flood Light		Increase/ (Reduction)	Roadway		Increase/ (Reduction)	Guard Light		Increase/ (Reduction)
		Current	Proposed		Current	Proposed		Current	Proposed	
Company Owned Fixture Charge										
High Pressure Sodium	140000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	50000	\$4 55	\$4 69	\$0 14	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	28000	\$4 46	\$5 19	\$0 73	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	15000	\$4 15	\$4 34	\$0 19	\$2 70	\$2 79	\$0 09	N/A	N/A	N/A
High Pressure Sodium	9500	N/A	N/A	N/A	N/A	N/A	N/A	\$2 70	\$2 79	\$0 09
Light Emitting Diode	15100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Light Emitting Diode	11300	N/A	\$4 69	\$0 00	N/A	N/A	N/A	N/A	N/A	N/A
Light Emitting Diode	7900	N/A	\$5 19	\$0 00	N/A	\$2 79	\$0 00	N/A	N/A	N/A
Light Emitting Diode	4800	N/A	\$4 34	\$0 00	N/A	N/A	N/A	N/A	\$2 79	\$0 00
Transmission and Distribution Charge										
High Pressure Sodium	140000	\$9 37	\$7 29	(\$2 08)	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	50000	\$4 74	\$3 89	(\$0 85)	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	28000	\$4 62	\$4 34	(\$0 28)	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	15000	\$4 20	\$3 57	(\$0 63)	\$2 81	\$2 43	(\$0 38)	N/A	N/A	N/A
High Pressure Sodium	9500	N/A	N/A	N/A	N/A	N/A	N/A	\$2 81	\$2 42	(\$0 39)
Metal Halide	104500	\$17 79	\$14 08	(\$3 71)	N/A	N/A	N/A	N/A	N/A	N/A
Metal Halide	32200	\$7 81	\$7 32	(\$0 49)	N/A	N/A	N/A	N/A	N/A	N/A
Metal Halide	19475	\$19 17	\$17 95	(\$1 22)	N/A	N/A	N/A	N/A	N/A	N/A
Metal Halide	12900	\$10 71	\$9 73	(\$0 98)	N/A	N/A	N/A	N/A	N/A	N/A
Light Emitting Diode	15100	N/A	\$7 29	\$0 00	N/A	N/A	N/A	N/A	N/A	N/A
Light Emitting Diode	11300	N/A	\$3 89	\$0 00	N/A	N/A	N/A	N/A	N/A	N/A
Light Emitting Diode	7900	N/A	\$4 34	\$0 00	N/A	\$2 43	\$0 00	N/A	N/A	N/A
Light Emitting Diode	4800	N/A	\$3 57	\$0 00	N/A	N/A	N/A	N/A	\$2 42	\$0 00

PROPOSED CUSTOMER OWNED FIXTURES STANDARD INSTALLATION FEES		One Light per Pole	Two Lights per Pole	Three Lights per Pole
<b>High Pressure Sodium</b>				
	Installations without secondary			
	150w, 250w,	\$325	\$350	\$405
	400w			
	1000w	\$370	\$450	\$550
	Installations with 150 feet of			
	150w, 250w,	\$425	\$450	\$505
	400w			
	1000w	\$470	\$550	\$655
	<b>Light Emitting Diode</b>			
	Installations without secondary			
	40w, 100w,	\$325	\$350	\$405
	180w			
		\$370	\$450	\$550
	Installations with 150 feet of secondary			
	40w, 100w,	\$425	\$450	\$505
	180w			
		\$470	\$550	\$655
	<b>Guard Light</b>			
	Installations without secondary			
	100w HPS	\$325	N/A	N/A
	Installations with secondary			
	100w HPS	\$365	N/A	N/A
	Installations without secondary			
	100w LED	\$325	N/A	N/A
	Installations with secondary			
	100w LED	\$365	N/A	N/A
<b>Roadway Light</b>				
	Installations without secondary			
	150w HPS	\$335	N/A	N/A
	Installations with secondary			
	150w HPS	\$375	N/A	N/A
	Installations without secondary			
	95w LED	\$335	N/A	N/A
	Installations with secondary			
	150w HPS	\$375	N/A	N/A
	95w LED			

CURRENT CUSTOMER OWNED FIXTURES STANDARD INSTALLATION FEES		One Light per Pole	Two Lights per Pole	Three Lights per Pole
<b>High Pressure Sodium</b>				
	Installations without secondary			
	150w, 250w,	\$325	\$350	\$405
	400w			
	1000w	\$370	\$450	\$550
	Installations with 150 feet of			
	150w, 250w,	\$425	\$450	\$505
	400w			
	1000w	\$470	\$550	\$655
	<b>Metal Halide</b>			
	Installations without secondary			
	175w, 250w,	\$330	\$365	\$430
	400w			
	1000w	\$370	\$450	\$550
	Installations with 150 feet of secondary			
	175w, 250w,	\$430	\$470	\$530
	400w			
	1000w	\$470	\$550	\$655
	<b>Guard Light</b>			
	Installations without secondary			
	100w HPS	\$325	N/A	N/A
	Installations with secondary			
	100w HPS	\$365	N/A	N/A
<b>Roadway Light</b>				
	Installations without secondary			
	150w HPS	\$335	N/A	N/A
	Installations with secondary			
	150w HPS	\$375	N/A	N/A

<b>PROPOSED CUSTOMER OWNED FIXTURES EXTRAORDINARY MAINTENANCE FEE</b>	
<b>ACTIVITY</b>	<b>FEE</b>
(1) Replace a vandalized shield (parts and labor)	\$125.00
(2) Make adjustments to the fixture (labor only)	\$125.00
(3) Replace a fixture (labor only)	\$125.00
(4) Relocate a fixture (labor only)	As Calculated

<b>CURRENT CUSTOMER OWNED FIXTURES EXTRAORDINARY MAINTENANCE FEE</b>	
<b>ACTIVITY</b>	<b>FEE</b>
(1) Replace a vandalized shield (parts and labor)	\$125.00
(2) Make adjustments to the fixture (labor only)	\$125.00
(3) Replace a fixture (labor only)	\$125.00
(4) Relocate a fixture (labor only)	See Section 6.1.2.2, Construction Services

<b>Street Lights Mounted on Ornamental Company Contribution per Standard Light</b>		
	<b>Current</b>	<b>Proposed</b>
	\$1,230.00	\$1,804.00

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**RATE DESIGN - DISCRETIONARY CHARGES**  
**FOR THE YEAR ENDING DECEMBER 31, 2018**

Sponsor: M. Troxle

<b>DISCRETIONARY CHARGES – Other Than Construction</b> (Comparison of Current and Proposed Charges)			
<b>Description of Charge</b>	<b>Current Charge</b>	<b>Proposed Charge</b>	<b>Note</b>
<b>Connection Charges: (Move-in):</b>			
<b>Standard Meter Move-in</b>			
Existing Standard Meter : Premise with remote/disconnect connect capability	No Charge	No Charge	
<b>Non-Standard Meter Move-in</b>			
Self Contained Meter (new)	\$ 103.00	\$ 192.00	
Self Contained Meter (existing)	\$ 16.00	\$ 144.00	
Current Transformer (CT)/Other Meter (new)	\$ 343.00	\$ 465.00	
CT/Other Meter (existing)	\$ 144.00	\$ 216.00	
<b>AMS-M Meter Move-in</b>			
Self Contained Meter (new)	\$ 103.00	\$ 192.00	
Self Contained Meter (existing)	\$ 16.00	\$ 144.00	
CT/Other Meter (new)	\$ 343.00	\$ 465.00	
CT/Other Meter (existing)	\$ 144.00	\$ 216.00	
<b>Standard Meter Move-in</b>			
New Standard Meter : Premise with remote/disconnect connect capability	No Charge	No Charge	
<b>Non-Standard Meter Priority Move-in</b>			
Self Contained Meter (existing)	\$ 36.00	\$ 150.00	
CT/Other Meter (existing)	\$ 296.00	\$ 224.00	
<b>AMS-M Meter Priority Move-in</b>			
Self Contained Meter (existing)	\$ 36.00	\$ 150.00	
CT/Other Meter (existing)	\$ 296.00	\$ 224.00	

<b>Disconnection Charges (Move-out):</b>		
<b>Standard Meter Move-out</b> Existing Standard Meter : Premise with remote/disconnect connect capability	Charge included in the move-in charge.	Charge included in the move-in charge.
<b>Non-Standard Meter Move-out</b> Existing Non-Standard Meter (includes premises with an IDR Meter, but excluding premises with an AMS-M Meter) and premises with unmetered services: Requires dispatch of personnel to premises.	Charge included in the move-in charge.	Charge included in the move-in charge.
<b>AMS-M Meter Move-out</b> discretionary services without dispatching personnel but lacks remote connect/disconnect	Charge included in the move-in charge.	Charge included in the move-in charge.
<b>Customer Requested Clearance</b>		
With 3 business days notice (Residential)	As Calculated	As Calculated
With 3 business days notice (Non-Residential)	As Calculated	As Calculated
With less than 3 business days notice	As Calculated	As Calculated

<b>Disconnect/Reconnect for Non-Pay Charges (DNP):</b>			
<b>Disconnect: Standard Meter</b>			
At Meter (DNP) : Premise with remote/disconnect connect capability	No Charge	No Charge	
Premium Location (DNP)	\$ 61.00	\$ 81.00	
<b>Disconnect: Non-Standard Meter</b>			
At Meter (DNP): Dispatch personnel	\$ 23.35	\$ 34.00	
Premium Location (DNP)	\$ 61.00	\$ 99.00	
<b>Disconnect: AMS-M Meter</b>			
At Meter (DNP): lacks remote connect/disconnect capabilities.	\$ 23.35	\$ 60.00	
Premium Location (DNP)	\$ 61.00	\$ 99.00	
<b>Reconnect After DNP: Standard Meter</b>			
At Meter - Premise with remote/disconnect connect capability	No Charge	No Charge	
Premium Location (DNP): Standard Reconnect	\$ 61.00	\$ 94.00	
Premium Reconnect - Same Day or Weekend	\$ 187.00	\$ 129.00	
Premium Reconnect - Holiday	\$ 246.00	\$ 170.00	
<b>Reconnect After DNP: Non-Standard Meter</b>			
At Meter (DNP): Dispatch personnel	\$ 23.35	\$ 34.00	
Standard Reconnect - Same Day or Weekend	\$ 34.00	\$ 85.00	
Standard Reconnect - Holiday	\$ 176.00	\$ 170.00	
Premium Location (DNP): Standard Reconnect	\$ 61.00	\$ 109.00	
Premium Reconnect - Same Day or Weekend	\$ 187.00	\$ 129.00	
Premium Reconnect - Holiday	\$ 246.00	\$ 170.00	
<b>Reconnect After DNP: AMS-M Meter</b>			
At Meter (DNP): lacks remote connect/disconnect capabilities.	\$ 23.35	\$ 60.00	
Standard Reconnect - Same Day or Weekend	\$ 34.00	\$ 129.00	
Standard Reconnect - Holiday	\$ 176.00	\$ 170.00	
Premium Location (DNP): Standard Reconnect	\$ 61.00	\$ 109.00	
Premium Reconnect - Same Day or Weekend	\$ 187.00	\$ 256.00	
Premium Reconnect - Holiday	\$ 246.00	\$ 339.00	

<b>Meter Test Charge:</b>			
<b>Standard Meter: Co. Owned</b>			
First test in last four years	No Charge	No Charge	
Found outside of accuracy standards	No Charge	No Charge	
All other	\$ 49.00	\$ 48.00	
<b>Standard Meter: Competitive Meter</b>		\$ 149.00	
<b>Non-Standard: Self Contained/Co. Owned</b>			
First test in last four years	No Charge	No Charge	
Found outside of accuracy standards	No Charge	No Charge	
All other	\$ 49.00	\$ 48.00	
<b>Non-Standard: CT/Other/Co. Owned</b>			
First test in last four years	No Charge	No Charge	
Found outside of accuracy standards	No Charge	No Charge	
All other	\$ 82.00	\$ 120.00	
<b>Non-Standard: Competitive Meter</b>	\$ 82.00	\$ 149.00	
<b>AMS-M Meter: Self Contained/Co. Owned</b>			
First test in last four years	No Charge	No Charge	
Found outside of accuracy standards	No Charge	No Charge	
All other	\$ 49.00	\$ 48.00	
<b>AMS-M Meter: CT/Other/Co. Owned</b>			
First test in last four years	No Charge	No Charge	
Found outside of accuracy standards	No Charge	No Charge	
All other	\$ 82.00	\$ 120.00	
<b>AMS-M Meter: Competitive Meter</b>	\$ 82.00	\$ 149.00	

<b>Meter Read Charges:</b>			
<b>Standard Switch: Standard Meter</b>			
Competitive Retailer Switch: Not requested by retail customer	No Charge	No Charge	
<b>Re-Read: Non-Standard Meter</b>			
Inaccurate meter reading	No Charge	No Charge	
Accurate meter reading Non-IDR	\$ 23.35	\$ 21.00	
<b>Standard Switch: AMS-M Meter</b>			
Competitive Retailer Switch: Not requested by retail customer	No Charge	No Charge	
<b>Self Selected Switch: Standard Meter</b>			
Competitive Retailer Switch on date certain	No Charge	No Charge	
<b>Standard Switch: Non-Standard Meter</b>			
Competitive Retailer Switch: Not requested by retail customer	No Charge	No Charge	
<b>Self Selected Switch: AMS-M Meter</b>			
Competitive Retailer Switch on date certain	\$ 23.35	No Charge	
Purpose of a mass transition	No Charge	No Charge	
<b>Self Selected Switch: Non-Standard Meter</b>			
Competitive Retailer Switch on date certain	\$ 23.35	\$ 21.00	

<b>Non-Standard Meter - Opt Out Recurring Fee</b>	\$ 32.80	\$ 40.00	
<b>Non-Standard Meter Installation Charges:</b>			
<b>Non-Standard Metering Service One Time Fee: Standard Meter</b>			
Existing Analog Meter	\$ 91.00	\$ 85.00	
New Analog Meter (if available)	\$ 171.00	\$ 190.00	
Digital Non-Communicating Meter	\$ 201.00	\$ 200.00	
Advanced Meter with Communication disabled	\$ 174.00	\$ 180.00	
<b>Non-Standard: Switch</b>			
Unable to Access Meter due to denial by retail customer	\$ 5.00	\$ 21.00	
<b>Non-Standard Metering Service One Time Fee: AMS-M Meter</b>			
Existing Analog Meter	\$ 91.00	\$ 85.00	
New Analog Meter (if available)	\$ 171.00	\$ 190.00	
Digital Non-Communicating Meter	\$ 201.00	\$ 200.00	
Advanced Meter with Communication disabled	\$ 174.00	\$ 180.00	
<b>Service Call Charges</b>			
<b>Service Call Charge</b>			
Business Days and All Other Times	\$ 50.00	\$ 109.00	
<b>Tampering and Related Charges:</b>			
Tampering	As Calculated	As Calculated	
Broken Meter Seal	\$ 31.00	\$ 40.00	
<b>Outdoor Lighting Charges:</b>			
Security Light Repair	As Calculated	As Calculated	
Security Light Removal	As Calculated	As Calculated	
Street Light Removal	As Calculated	As Calculated	
<b>Denial of Access:</b>			
Inaccessible Meter Charge	\$ 55.00	\$ 55.00	
Denial of Access to Company's Delivery System	As Calculated	As Calculated	
<b>Additional Discretionary Charges:</b>			
<b>Meter Test Charges:</b>			
<b>Competitive Meter - Communication Diagnostics</b>			
Self-contained	\$ 65.00	\$ 80.00	
Transformer Rated	\$ 65.00	\$ 80.00	

Non-Standard Meter Installation Charges:			
Advanced Billing Meter Installation	\$204, plus incremental cost between a standard meter and the advanced meter, plus additional charges for services related to advanced capabilities		\$232, plus incremental cost between a standard meter and the advanced meter, plus additional charges for services related to advanced capabilities
Advanced Non-Billing Meter Installation	\$204, plus the additional charges for services related to advanced capabilities		\$232, plus the additional charges for services related to advanced capabilities
Pulse Metering Equipment- Installation			
No current pulse meter exists	\$	219.00	\$ 290.00
One Relay	\$	302.00	\$ 392.00
Two Relays	\$	458.00	\$ 584.00
Three Relays	\$	596.00	\$ 746.00
Pulse Metering Equipment- Replacement			
One Relay	\$	226.00	\$ 278.00
One Pulse Meter	\$	179.00	\$ 224.00
One Relay and One Pulse Meter	\$	341.00	\$ 425.00
Additional Relays - Same Trip	\$	160.00	\$ 199.00
Fuses	\$	52.00	\$ 61.00
Problem with Customer's Equipment	\$	52.00	\$ 61.00
Competitive Meter - Non-Standard Programming			
Self-contained (field prog.)	\$	73.00	\$ 103.00
Self-contained (shop prog.)	\$	46.00	\$ 59.00
Transformer rated (field prog.)	\$	73.00	\$ 103.00
Transformer rated (shop prog.)	\$	46.00	\$ 59.00

<b>Service Call Charges:</b>			
URD By-Pass Cable Installation Charge	\$ 261.00	\$ 476.00	
Unmetered Service Attachments		As Calculated	New Service
<b>Other Charges:</b>			
Returned Check	\$ 10.50	\$ 10.50	
<b>Voltage Monitoring</b>			
No problem with Company's equipment	\$ 954.00	\$ 1,392.00	
<b>Damage to Company Facilities</b>			
Proposed Addition to Other Charges	As Calculated	As Calculated	
<b>Adverse Effects and Improper Power Factor</b>			
Proposed Addition to Other Charges	As Calculated	As Calculated	
<b>Provision of Retail Customer Data</b>			
Proposed Addition to Other Charges	As Calculated	As Calculated	
<b>Customer Required Upgrade to Delivery System</b>			
Proposed Addition to Other Charges	As Calculated	As Calculated	
<b>Temporary Service Connection</b>	\$ 204.00	\$ 354.00	
<b>Disconnect for Inaccessibility to Company Metering</b>			
<b>Proposed Addition to Other Charges</b>			
At Meter	\$ 33.00	\$ 59.00	
At Premium Location	\$ 61.00	\$ 100.00	
<b>Miscellaneous - Retail Customer Caused Charges</b>			
Proposed Addition to Other Charges	As Calculated	As Calculated	
<b>Miscellaneous - Other Charges</b>			
Other	As Calculated	As Calculated	
<b>Distributed Generation Meter Installation Charge</b>	As Calculated	As Calculated	
<b>Transmission Scheduling Outage Charges</b>	As Calculated	As Calculated	
<b>Competitive Metering Installation and Removal</b>			Added from Construction Services
<b>Competitive Meter Remove/Install</b>			
Self-Contained Meter	\$ 76.00	\$ 93.00	
Transformer Rated Meter	\$ 119.00	\$ 143.00	
<b>Competitive Meter Physical Access Equipment Install</b>			
Performed During Initial Meter Install	\$ 39.00	\$ 73.00	
Performed After Initial Install	\$ 77.00	\$ 90.00	

## **Non-Rate Tariff Change Summary**

### **Table of Contents Changes**

Updated to reflect the deletion of expired and redundant Chapter 6 tariff sheets, the reordering and renumbering of some Chapter 6 sections, and the addition of new Chapter 6 form agreements.

### **Chapter 2 Changes**

2.1 Preliminary Statement: Updated and revised for clarification.

2.2 Areas Served: Updated.

### **Chapter 6 Changes**

#### **6.1.1.1 Charges for Distribution and Transmission System Service.**

##### **6.1.1.1.1 Residential Service.**

- Moved the “Reclassification for Non-Residential Purposes” provision from section 6.2.3 to this section (this provision lets CEHE reclassify a retail customer receiving service under the residential rate schedule to an appropriate non-residential rate schedule if CEHE determines that a significant portion of the delivery service is being used by the customer for non-residential purposes).
- Revised and reorganized descriptive provisions to improve readability and consistency across all rate schedules.
- Changed the Customer Charge and Metering Charge from a per Retail Customer basis to a per Meter basis.
- Deleted Rider AMS from the “Other Charges or Credits” section.
- Added an “On-Site Generation” provision that simply references section 6.1.2.4 of the tariff for the requirements relating to the interconnection and parallel operation of on-site distributed generation, informing retail customers receiving delivery service that if they have on-site generation on the premises being served, they must also comply with the company’s tariff requirements for interconnection of distributed generation.

##### **6.1.1.1.2 Secondary Service < 10.**

- Clarified that this rate schedule also applies to Unmetered Services other than Lighting Services.
- Added terms of service for the provision of unmetered service under this rate schedule.
- Revised and reorganized descriptive provisions to improve readability and consistency across all rate schedules.
- Changed the Customer Charge and Metering Charge from a per Retail Customer basis to a per Meter basis.
- Deleted Rider AMS from the “Other Charges or Credits” section.
- Added an “On-Site Generation” provision that simply references section 6.1.2.4 of the tariff for the requirements relating to the interconnection and parallel operation of on-site distributed generation, informing retail customers receiving delivery service that if they have on-site generation on the premises being served, they must also comply with the company’s tariff requirements for interconnection of distributed generation.

**6.1.1.1.3 Secondary Service > 10.**

- Added a provision allowing company to treat retail customer premises with multiple connections to company's delivery system as a single point of delivery if required by facility limitations or design criteria.
- Clarified when this rate schedule would apply to retail customers needing temporary service.
- Added a provision describing when the IDR Meter charges apply when a customer's IDR is replaced with an AMS or other meter and grandfathering in existing customers billed on a 4CP basis.
- Revised and reorganized descriptive provisions to improve readability and consistency across all rate schedules.
- Changed the Customer Charge and Metering Charge from a per Retail Customer basis to a per Meter basis.
- Deleted Rider AMS from the "Other Charges or Credits" section.
- Added an "On-Site Generation" provision that simply references section 6.1.2.4 of the tariff for the requirements relating to the interconnection and parallel operation of on-site distributed generation, informing retail customers receiving delivery service that if they have on-site generation on the premises being served, they must also comply with the company's tariff requirements for interconnection of distributed generation.

**6.1.1.1.4 Primary Service.**

- Added a provision allowing company to treat retail customer premises with multiple connections to company's delivery system as a single point of delivery if required by facility limitations or design criteria.
- Clarified when this rate schedule would apply to retail customers needing temporary service.
- Added a provision describing when the IDR Meter charges apply when a customer's IDR is replaced with an AMS or other meter and grandfathering in existing customers billed on a 4CP basis.
- Revised and reorganized descriptive provisions to improve readability and consistency across all rate schedules.
- Changed the Customer Charge and Metering Charge from a per Retail Customer basis to a per Meter basis.
- Deleted Rider AMS from the "Other Charges or Credits" section.
- Added an "On-Site Generation" provision that simply references section 6.1.2.4 of the tariff for the requirements relating to the interconnection and parallel operation of on-site distributed generation, informing retail customers receiving delivery service that if they have on-site generation on the premises being served, they must also comply with the company's tariff requirements for interconnection of distributed generation.

**6.1.1.1.5 Transmission Service.**

- Added a provision allowing company to treat retail customer premises with multiple connections to company's delivery system as a single point of delivery if required by facility limitations or design criteria.
- Added a provision stating that the average 4CP demand of retail customers taking delivery service under this rate schedule will be updated in February of each year. This provision is already in Company's other rate schedules with 4CP billing determinants but has been missing from this rate schedule.

- Revised and reorganized descriptive provisions to improve readability and consistency across all rate schedules.
- Changed the Customer Charge and Metering Charge from a per Retail Customer basis to a per Meter basis.
- Deleted Rider AMS from the “Other Charges or Credits” section.
- Added an “On-Site Generation” provision that simply references section 6.1.2.4 of the tariff for the requirements relating to the interconnection and parallel operation of on-site distributed generation with generating capacity under 10 MW, informing retail customers receiving delivery service that if they have on-site generation on the premises being served, they must also comply with the company’s tariff requirements for interconnection of distributed generation, or ERCOT’s guidelines and procedures if the generation capacity is 10 MW or higher.

**6.1.1.1.6 Lighting Services.**

- **Street Lighting Service.**
  - Revised and reorganized descriptive provisions pertaining to street lighting service to improve readability and consistency and deleted redundant provisions covered elsewhere in the tariff.
  - Revised to make light emitting diode (LED) lamps the Company’s standard type of lamp for street lighting service and to note that existing non-LED lamps will be replaced with LED lamps when they burn out unless the customer and Company agree on a different replacement schedule.
- **Miscellaneous Lighting Service.**
  - Revised and reorganized descriptive provisions pertaining miscellaneous lighting service to improve readability and consistency and deleted redundant provisions covered elsewhere in the tariff.
  - Revised to eliminate metal halide lighting for new installations under this rate schedule.
  - Added customer-owned LED lights as an installation option and T&D charges and installation fees for LED lights

**6.1.1.2.1 Schedule TC Transition Charges.**

Deleted in its entirety.

**6.1.1.3.1 Rider CTC Competition Transition Charges.**

Deleted in its entirety.

**6.1.1.4.1 Rider SBF – System Benefit Fund.**

Deleted in its entirety.

**6.1.1.6.8 Rider AMS Surcharge for Advanced Metering System.**

Deleted in its entirety.

**6.1.2.1 Uniform Discretionary Service Charges.**

Renumbered 6.1.2.1 (Uniform Discretionary Service Charges for Premises with a Standard Meter) as 6.1.2.1.1 and moved 6.1.3 (Uniform Discretionary Service Charges for Premises with a Non-Standard

Meter and with Unmetered Service) and 6.1.4 (Uniform Discretionary Service Charges for Premises with an AMS-M Meter) to newly created 6.1.2.1.2 and 6.1.2.1.3, respectively.

#### **6.1.2.2 Construction Service Charges.**

Renamed to “Construction Services Policy and Charges.”

- **Section 1 Introduction.** Revised to improve readability.
- **Section 2 Permanent Facility Extensions.** Revised to use defined terms and more clearly define standard and non-standard facilities. Also added clarifying language to identify the company’s standard allowance for permanent facility extensions and the facility extension costs for retail customers requesting facility extensions.
  - Added a new subsection 2.5 for facility extensions for electric vehicle public charging stations.
  - Added a new subsection 2.6 for facility extensions to provide premium service requested by a retail customer under the company’s existing premium service rate schedule in 6.1.2.3.3 of the tariff.
- **Section 3 Semi-Permanent Facility Extensions.** Revised to use defined terms.
- **Section 4 Temporary Facility Extensions.** Revised to use defined terms and clarify the application of this provision.
- **Section 5 DG Interconnection Facility Extensions.** Revised to clarify application of this provision to facility extensions for the interconnection of distributed generation as defined in the Commission’s rules and to note the availability of alternative islanding protection schemes other than transfer trip protection for islanding the distributed generation.
- **Section 6 Construction Services for Street Lighting Service.** Revised to update the Company contribution per lamp to conform to the change to LED as the standard lamp under the Company’s Lighting Services rate schedule in 6.1.1.1.6. Also corrected the internal tariff reference for the discretionary removal charges applicable to a customer request to remove or relocate street lights.
- **Section 7 Metering Practices.** Revised to use defined terms and to insert metering standards for mobile home parks that are currently in section 8 of the policy.
- **Section 8 Miscellaneous Construction Services.** Revised to remove redundant provisions that are covered elsewhere.
- **Section 9 Competitive Metering Construction Services.** Moved to 6.1.2.3.1 Additional Discretionary Charges.

#### **6.1.2.3.1 Additional Discretionary Charges.**

Revised to add the competitive metering construction services charge moved from the Construction Services Policy and a new as calculated charge for service calls to unmetered attachments and the charges currently contained in Section 9 of the Construction Services Policy in 6.1.2.2.

#### **6.1.2.3.2 Public Access to Accessible Utility Information – Rate AUI.**

Revised to clarify that the charges apply only to information provided in paper format.

#### **6.1.2.3.3 Premium Rollover Service – Rate PRS.**

Renamed “Premium Service – Rate PS.”

- Revised to clarify availability of premium service at both distribution voltages and transmission voltages.

- Moved the provisions concerning construction services associated with premium service to section 2.6 of the Construction Services Policy.

#### **6.1.2.4 Distributed Generation Service – Rate DGS.**

Revised to move the Application for Interconnection and Parallel Operation of Distributed Generation to 6.3.2.

#### **6.1.3 Discretionary Service Charges for Premises with a Non-Standard Meter other than an AMS-M Meter and with Unmetered Service.**

Moved the Uniform Discretionary Charges in 6.1.3.1 to 6.1.2.1.2 (see above) and deleted 6.1.3.2 (Construction Service Charges), 6.1.3.3 (Discretionary Charges other than Construction Service Charges), and 6.1.3.4 (Interconnection and Parallel Operation of Distributed Generation) because they are identical to and redundant with 6.1.2.2, 6.1.2.3 and 6.1.2.4.

#### **6.1.4 Discretionary Service Charges for Premises with an AMS-M Meter.**

Moved the Uniform Discretionary Charges in 6.1.4.1 to 6.1.2.1.3 (see above) and deleted 6.1.4.2 (Construction Service Charges), 6.1.4.3 (Discretionary Charges other than Construction Service Charges), and 6.1.4.4 (Interconnection and Parallel Operation of Distributed Generation) because they are identical to and redundant with 6.1.2.2, 6.1.2.3 and 6.1.2.4.

#### **6.2.1 Definitions.**

Renamed to “Company Specific Definitions” and revised the definitions of “Individual Private Dwelling” and “Residential Purposes” to be clearer and to expressly state that bit-coin mining is not considered a residential purpose.

#### **6.2.3 Additional Company Specific Terms and Conditions.**

- Moved the current item 2 (concerning reclassification of residential service if significant portion is used for non-residential purposes) to 6.1.1.1.1 Residential Service rate schedule (see above).
- Item 2 now has the equipment rental provision moved from section 8 of the Construction Services Policy.
- New item 3 explains how the As Calculated Meter Tampering Charge in 6.1.2.1 is calculated using average historical costs.
- New item 4 states that the Company will apply the 5.5.6 demand ratchet waiver to increased demand caused by customer’s scheduled maintenance of on-site backup generation in addition to increased demand caused by customer’s testing of load equipment.

#### **6.3 Agreements and Forms.**

- Revised 6.3.1 Facilities Extension Agreement (FEA) by placing the existing FEA under section 6.3.1.1 and designating it as applicable only to facility extensions using distribution voltage facilities and adding a new FEA under section 6.3.1.2 to be applicable to facility extensions using transmission voltage facilities.
- Revised 6.3.2 Application for Interconnection and Parallel Operation of Distributed Generation by moving the form application from where it is currently located in 6.1.2.4 Distributed Generation Service – Rate DGS (see above) to here and updating the CenterPoint contact person for the application.

- Revised 6.3.4 Other Agreement Forms (1) by revising 6.3.4.1 Agreement for Subtractive Metering – Transmission Voltage and 6.3.4.2 Agreement for Subtractive Metering – Distribution Voltage to allow the respective agreements to cover multiple subtractive meters; (2) by adding a new 6.3.4.6 Premium Service Agreement form for customers requesting premium service under 6.1.2.3.3 Premium Service – Rate PS (see above); and (3) by adding a new 6.3.4.7 General Purpose Construction Services Agreement for miscellaneous construction services provided under section 8 of the Construction Services Policy (see above), such as customer-requested relocations of company facilities.

# **TARIFF FOR RETAIL DELIVERY SERVICE**

**CenterPoint Energy Houston Electric, LLC  
1111 LOUISIANA  
P. O. BOX 1700  
HOUSTON, TEXAS 77251**

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Chapter 2: Description of Company's Certified Service Area  
Preliminary Statement

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**CHAPTER 2: DESCRIPTION OF COMPANY'S CERTIFIED SERVICE AREA**

**2.1 PRELIMINARY STATEMENT**

CenterPoint Energy Houston Electric, LLC, is a ~~Transmission~~transmission and Distribution Utility, is responsible for the safe and reliable delivery of electric power to Retail Customers in the Texas Gulf Coast Region, ~~estimated at distribution utility with a Service Territory of approximately 5,000 square miles, in which are located encompassing Houston, Texas and approximately 165 other cities, villages and communities, in the Texas Gulf Coast Region.~~ The purchase of electric power by the Company is responsible for the safe and reliable delivery of Electric Power and Energy to Retail Customers within its Service Territory. A Retail Customer is through the Customer's must purchase Electric Power and Energy from its designated REP. This Tariff establishes the rates, terms and conditions, and policies for the operation provision of CenterPoint Energy Houston Electric, LLC and Delivery Services by the Company to, and governs its relationship with, both Retail Customers and REPs.

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**CHAPTER 6: COMPANY SPECIFIC ITEMS**

**6.1 RATE SCHEDULES**

**6.1.1 DELIVERY SYSTEM CHARGES**

**6.1.1.1 CHARGES FOR TRANSMISSION AND DISTRIBUTION SYSTEM SERVICE**

**6.1.1.1.1 RESIDENTIAL SERVICE**

**AVAILABILITY**

This schedule is applicable ~~available to Retail Customers requesting Delivery Service for residential purposes of a permanent nature to individual private dwellings and to individually-metered apartments~~ Residential Purposes when such Delivery Service is to one Point of Delivery and measured through one Meter and, except as otherwise provided in this Rate Schedule, is not for shared or resale purposes.

**TYPE OF SERVICE**

~~Delivery Service will be single-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard watt-hour Meter provided for this type of Delivery Service. Any other metering option(s) will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2, Construction Services, of this Tariff.~~

**MONTHLY RATE**

**I. Transmission and Distribution Charges:**

Customer Charge	\$1.622.48	per Retail Customer <del>Meter</del> per Month
Metering Charge	\$3.851.95	per Retail Customer <del>Meter</del> per Month
Transmission System Charge	<del>\$0.08439.0</del> 15080	per kWh
Distribution System Charge	<del>\$0.164890</del> 22680	per kWh

~~H. System Benefit Fund Charge:~~ See Rider SBF

III. Transition Charge: See Schedules ~~TC~~ TC2, TC3, SRC, and TC5

IV. Nuclear Decommissioning Charge: See Rider NDC

V. Transmission Cost Recovery

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**Factor:** See Rider TCRF

**VI. ~~Competition Transition Charge:~~** See Rider CFC

**VII. Other Charges or Credits:**

A. Municipal Account Franchise Credit (see application and explanation below) ~~\$(.0018390~~ per kWh  
01768)

B. Rate Case Expenses Surcharge See Rider RCE

~~C. Advanced Metering System Surcharge~~ See Rider AMS

~~D.C.~~ Energy Efficiency Cost  
Recovery Factor See Rider EECRF

~~D.~~ See Rider ADFITC  
Accumulated Deferred Federal Income Tax Credit

~~E.~~ See Rider DCRF

Distribution Cost Recovery Factor See Rider UEDIT

~~F. Unprotected Excess Deferred Income Tax~~

**~~COMPANY SPECIFIC APPLICATIONS~~**

**~~Residential~~ TERMS OF SERVICE**

~~Type of Service. Where more than four family units or apartments are served through one Meter, billing will be under the applicable commercial~~ The standard Delivery Service under this Rate Schedule.

~~Service Voltages~~ will be single-phase, 60 hertz, at the Company's standard Secondary Distribution Voltage level for this type of service ~~voltages are as described in Section 6.22, Standard Voltages 2.2 of this Tariff and in the Company's Service Standards. Three-phase service is not generally not available to residential for Residential Purposes. Retail Customers. Check~~ desiring three-phase service for Residential Purposes should check with a Company representative to determine if three-phase service is available. Facilities for three-phase service under this Rate Schedule are Non-Standard Facilities as defined in the Company's Construction Services Policy.

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Metering Equipment. Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Residential Service to Multiple Dwellings. Where more than four Individual Private Dwellings in an apartment or other residential building are served through one Meter, billing will be under the applicable non-residential Rate Schedule.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh delivered within that municipality and who have signed an appropriate Franchise Agreement.

Reclassification for Non-Residential Purposes. If the Company determines that a significant portion of the Delivery Service provided under this Residential Service Rate Schedule is used for non-Residential Purposes, then the appropriate non-residential Rate Schedule shall be applicable to all the Delivery Service provided. However, if the Retail Customer's wiring is so arranged that the Delivery Service for Residential Purposes and for non-Residential Purposes can be metered separately, this Residential Service Rate Schedule will remain applicable to the portion that is metered separately for Residential Purposes.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission's rules) may also be subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff, regarding the interconnection and parallel operation of distributed generation.

**NOTICE**

~~This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.~~

**NOTICE**

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.



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**IV. Transmission Cost Recovery Factor:** See Rider TCRF

~~VI. Competition Transition Charge~~ See Rider CTC

**VII. Other Charges or Credits:**

- A. Municipal Account Franchise Credit \$(.00~~2052~~ Per kWh  
(see application and explanation below) ~~2464~~)
- B. Rate Case Expenses Surcharge See Rider RCE
- ~~C. Advanced Metering System Surcharge See Rider AMS~~
- D. Energy Efficiency Cost Recovery Factor See Rider EECRF
- E. Accumulated Deferred Federal Income Tax Credit See Rider ADFITC
- F. Distribution Cost Recovery Factor See Rider UEDFI
- G. Unprotected Excess Deferred Income Tax
- H.

**COMPANY SPECIFIC APPLICATIONS**

**TERMS OF SERVICE**

Type of Service. The standard Delivery Service under this Rate Schedule will be single-phase, 60 hertz, at the Company's standard **Secondary** ~~Service Level~~ Distribution Voltage level for this type of service as described in Section 6.2.2 of this Tariff and in the Company's Service Standards. Facilities for three-phase service under this Rate Schedule are Non-Standard Facilities as defined in the Company's Construction Services Policy.

Metering Equipment. Except for Unmetered Service described below, Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or ~~Equal~~ will be provided by a Meter Owner other than the Company pursuant to ~~404VA~~ Applicable Legal Authorities.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required

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prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Peak Demand Requirement. ~~This rate schedule~~ Rate Schedule is applicable only to Retail Customers whose ~~current month's peak demand for the current month is 10 kVA or less, as measured in the Retail Customer's fifteen-minute period of highest demand, and whose peak demand has not exceeded 10 kVA in any of the previous eleven months.~~ If, after taking Delivery Service under this Rate Schedule, Retail Customer's monthly peak demand is greater than 10 kVA, Retail Customer will be placed on the Secondary Service Greater Than 10 kVA Rate Schedule for a period of not less than twelve months. ~~If this Rate Schedule is taken for Delivery Service for Electric Power and Energy supplied by Retail Customer's REP for standby or other intermittent purpose, Company may, at its sole discretion, require the Retail Customer to make additional contractual arrangements and or require additional metering.~~

Service Voltages. ~~Company's standard service voltages are described in 6.22, Standard Voltages and the Company's Service Standards.~~

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh delivered within that municipality and who have signed an appropriate Franchise Agreement.

Unmetered Service. ~~Un-metered service~~ Unmetered Service is available under this Rate Schedule for non-residential electric connection service, non-lighting Delivery Service at the discretion of the Company, Competitive Retailer, and Retail Customer, in limited situations when metering equipment is impractical or disproportionately expensive, and when the Retail Customer's electric load can be reasonably estimated or predicted from the nameplate or engineering studies of the installed equipment. Special protective devices may be required to be installed and/or paid for by customer. The "Metering Charge" contained in the monthly rate is not applicable to unmetered service. Provision of Unmetered Service under this Rate Schedule will require an agreement that includes certification by Retail Customer on at least an annual basis of the number of installed devices and specific location of each device. Company will calculate billing determinants for Unmetered Service based on a 100 percent load factor. These billing determinants are applied to all charges included in this Rate Schedule, except that the "Metering Charge" contained in the monthly rate is not applicable to Unmetered Service under this Rate Schedule.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission's rules) may also be

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subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff,  
regarding the interconnection and parallel operation of distributed generation.

**NOTICE**

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

**NOTICE**

~~This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.~~

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**6.1.1.1.3 SECONDARY SERVICE GREATER THAN 10 KVA**

**AVAILABILITY**

This schedule is applicable to Retail Customers requesting Delivery Service for non-residential purposes at secondary voltage levels with a peak demand greater than 10 kVA when such Delivery Service is to one Point of Delivery and measured through one Meter, except that, at Company's option, locations where the Retail Customer's Electrical Installation or Premises has multiple connections to Company's Delivery System, due to Company facility limitations or design criteria, may be considered one Point of Delivery for billing purposes.

**TYPE OF SERVICE**

Delivery Service will be single or three-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard Meter provided for this type of Delivery Service. Any Meter other than the standard Meter will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2. Construction Services, in this Tariff.

**MONTHLY RATE**

**I. Transmission and Distribution Charges:**

Customer Charge		
Non-IDR Metered	<del>\$2,263.22</del>	per Retail Customer Meter per
IDR Metered		
Metering Charge	<del>\$65,834.28</del>	per Retail Customer Meter per
		Month
Non-IDR Metered	\$18,826.90	per Retail Customer Meter per
IDR Metered	\$63,077.91	per Retail Customer Meter per
		Month
Transmission System Charge		
Non-IDR Metered		per NCP kVA
IDR Metered	\$1,434.71	per 4CP kVA
	<del>4020</del>	
	<del>\$2,2387.05</del>	
	<del>3080</del>	
Distribution System Charge		
	\$3,059.42	per Billing kVA
	<del>835020</del>	

**II. System Benefit Fund:**

See Rider SBF

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<b>III. Transition Charge:</b>	See Schedules <del>TC</del> , TC2, TC3, SRC, and TC5
<b><del>III</del>IV. Nuclear Decommissioning Charge:</b>	See Rider NDC
<b><u>IV.</u> Transmission Cost Recovery Factor:</b>	See Rider TCRF
<b><del>VI.</del> Competition Transition Charge:</b>	See Rider CTC
<b>VII. Competitive Metering Credit:</b>	See Rider CMC
<b>VIII. Other Charges or Credits:</b>	
A. Municipal Account Franchise Credit (see application and explanation below)	<del>\$(.894333</del> per Billing kVA <del>690362)</del>
B. Rate Case Expenses Surcharge	See Rider RCE
<del>C. Advanced Metering System Surcharge</del>	See Rider AMS
<del>D.C.</del> <u>Energy Efficiency Cost Recovery Factor</u>	See Rider EECRF
<del>E.D.</del> <u>Accumulated Deferred Federal Income Tax Credit</u>	See Rider ADFITC
<del>F.E.</del> Distribution Cost Recovery Factor	See Rider DCRF
<u>F. Unprotected Excess Deferred Income Tax</u>	See Rider UFDIT

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**COMPANY SPECIFIC APPLICATIONS**  
**TERMS OF SERVICE**

**DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES**

Application of IDR Metered Charges The IDR Metered charges listed in the Monthly Rate section of this Rate Schedule are applicable to Retail Customers who have established an NCP demand greater than 700 kVA in any previous billing month, and to Retail Customers who were billed on a 4CP kVA basis prior to the effective date of this Rate Schedule, regardless of whether their Meter is an IDR Meter, a Standard Meter or other Meter.

Determination of NCP kVA The NCP kVA applicable under the Monthly Rate section shall be the kVA supplied during the 15 minute period of maximum use during the billing month.

Determination of 4 CP kVA The 4 CP kVA applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective with the February billing month of each year and remain fixed for a year. Retail Customer's previous metered usage under this or any other Rate Schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section. Retail Customers without previous history on which to determine their 4 CP kVA will be billed at the applicable NCP rate under the "Transmission System Charge" using the Retail Customer's NCP kVA.

**DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES**

Determination of Billing kVA For loads whose maximum NCP kVA established in the 11 months preceding the current billing month is less than or equal to 20 kVA, the Billing kVA applicable to the Distribution System Charge shall be the NCP kVA for the current billing month. For all other loads, the Billing kVA applicable to the Distribution System Charge shall be the higher of the NCP kVA for the current billing month or 80% of the highest monthly NCP kVA established in the 11 months preceding the current billing month (80% ratchet). The 80% ratchet shall not apply to seasonal agricultural Retail Customers.

**OTHER PROVISIONS**

Secondary Service Greater Than 40 kVA, Type of Service. The standard Delivery Service under this Rate Schedule will be single or three-phase, 60 hertz, at the Company's standard Secondary Distribution Voltage level for this type of service as described in Section 6.2.2 of this Tariff and in the Company's Service Standards.

Metering Equipment. Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities.

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Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Peak Demand Requirement. This Rate Schedule is applicable only to Retail Customers whose peak demand for the current month is greater than 10 kVA, as measured in the Retail Customer's fifteen-minute period of highest demand, or whose peak demand exceeded 10 kVA in any of the previous eleven months, and that otherwise qualify under this Rate.

Temporary Service. This Rate Schedule is also applicable to Retail Customers who need Delivery Service provided at Secondary Distribution Voltage levels on a temporary basis for Electric Power construction activities, for emergency shelters and temporary housing facilities managed by the Federal Emergency Management Agency or other state or federal agency after a natural or other disaster, and Energy supplied by Retail Customer's RFP for Temporary service for other temporary facilities or purposes as determined by Company. The Company's construction of Delivery System facilities for the provision of such temporary Delivery Service is subject to provisions of Section 6.1.2.2 the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Sub-Metering. The Electric Power and Energy delivered may not be re-metered or sub-metered by the Retail Customer for resale except pursuant to lawful sub-metering regulations of Applicable Legal Authorities. Retail Customer's previous metered usage under this or any other Rate Schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section.

Service Voltages. Company's standard service voltages are described in 6.22, Standard Voltages and in the Company's Service Standards.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the Billing kVA within that municipality and who have signed an appropriate Franchise Agreement.

Adjustment To The Charges Applied To Retail Customer's Demand Measurement If data to determine the Retail Customer's *Demand Measurement* becomes no longer available, the Company will determine a *Conversion Factor* which will be used as an adjustment to all per unit charges that will then be applied to the *New Demand Measurement*. *Demand Measurement* shall include the Billing kVA, the 4 CP kVA, NCP kVA or any other demand measurement required for billing under this Rate Schedule or any applicable rider(s) or any other applicable schedule(s). *New Demand Measurement* shall be the billing determinants which replace the *Demand Measurement*. The *Conversion Factor* will apply to unit prices per kVA such that when applied to the *New Demand*

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Applicable: Entire Service Area

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*Measurement*, the revenue derived by the Company under demand based charges shall be unaffected by such lack of data.

This adjustment may become necessary because of changes in metering capabilities, such as, Meters that record and /or measure kW with no ability to determine kVA or Meters which meter data in intervals other than 15 minutes. This adjustment also may become necessary due to changes in rules, laws, procedures or other directives which might dictate or recommend that Electric Power and Energy, electric power related transactions, wire charges, nonbypassable charges and/or other transactions measure demand in a way that is inconsistent with the definitions and procedures stated in the Company's Tariff. This adjustment is applicable not only in the instances enumerated above but also for any and all other changes in *Demand Measurement* which would prevent the Company from obtaining the necessary data to determine the kVA quantities defined in this Rate Schedule, applicable Riders and other applicable schedules.

The Conversion Factor shall render the Company revenue neutral to any change in *Demand Measurement* as described above.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission's rules) may also be subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff, regarding the interconnection and parallel operation of distributed generation.

**NOTICE**

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

## Chapter 6: Company Specific Items

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

CNP 8018

### 6.1.1.1.4 PRIMARY SERVICE

#### AVAILABILITY

This schedule is applicable to available to Retail Customers requesting Delivery Service for non-residential purposes at primary voltage Primary Distribution Voltage levels when such Delivery Service is to one Point of Delivery and measured through one Meter.

#### TYPE OF SERVICE

Delivery Service will be single or three-phase, 60 hertz, except that, at a standard primary voltage, Delivery Service will be metered using Company's standard Meter provided for this type of Delivery Service. Any Meter other than option, locations where the standard Meter will be provided at an additional charge and/or will be provided by a Meter Owner other than the Retail Customer's Electrical Installation or Premises has multiple connections to Company's Delivery System, due to Company pursuant to Applicable Legal Authorities. Where Delivery Service of the type desired is not available at the facility limitations or design criteria, may be considered one Point of Delivery, additional charges for billing purposes; and special contract arrangements may be required prior to provided, however, that Delivery Service being furnished pursuant under this schedule is available only to Section 6.1.2.2, Construction Services, of this Tariff. Retail Customers able to take Delivery Service directly from feeder lines of at least 12,470 volts but less than 60,000 volts.

#### MONTHLY RATE

##### I. Transmission and Distribution Charges:

Customer Charge		
Non-IDR Metered	\$	per Retail Customer Meter per
IDR Metered	3,584.83	Month
Metering Charge	\$	per Retail Customer Meter per
	70,7361.2	Month
	6	
Non-IDR Metered	\$181,3528	per Retail Customer Meter per
IDR Metered	5.55	Month
	\$138,4019	per Retail Customer Meter per
	8.72	Month
Transmission System Charge		
Non-IDR Metered		per NCP kVA
IDR Metered	\$1,74332	per 4CP kVA
	735920	
	\$2,15463	
	940530	
Distribution System Charge	\$2,002824	per Billing kVA
	2 524410	