

Control Number: 49421



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

May 20, 2019

Contact: Denise Hardcastle
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ALLIANCE FOR RETAIL MARKET REQUEST NO.: ARM03-01

QUESTION:

Refer to your response to Staff RFI 1-27. Please identify the monthly base rate through which CenterPoint proposes to continue to recover the ERCOT transmission system payments addressed in the response.

ANSWER:

The monthly base rate through which CenterPoint Houston proposes to continue to recover the ERCOT transmission system payments are included in the Transmission rate by rate class on Schedule IV-J-7 Rate Design Summary tab in the Schedule H-I-J and CA Workbook.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

ALLIANCE FOR RETAIL MARKET REQUEST NO.: ARM03-02

QUESTION:

If CenterPoint removed the ER COT transmission system payments from base rates and recovered those costs through its transmission cost recovery factor (TCRF), what are the resulting TCRF rates for each rate class? Please provide a side-byside comparison of those TCRF rates and CenterPoint's current TCRF rates according to rate class.

ANSWER:

The company has not performed this analysis.

SPONSOR (PREPARER):Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

ALLIANCE FOR RETAIL MARKET REQUEST NO.: ARM03-03

QUESTION:

Please explain why CenterPoint chose a three-year amortization period for its proposed Unprotected Excess Deferred Income Tax (UEDIT) Rider. In your response, please specify any applicable Internal Revenue Service (IRS) regulations, accounting rules, and other guidelines or requirements justifying the three-year amortization period.

ANSWER:

CenterPoint Houston is requesting a three-year amortization period for all its regulatory assets/liabilities including the proposed Unprotected Excess Deferred Income Tax (UEDIT) Rider. CenterPoint Houston is not aware of any IRS regulations, accounting rules, or other guidelines or requirements regarding the three-year amortization period.

SPONSOR (PREPARER):

Kristie Colvin / Charles Pringle (Kristie Colvin / Charles Pringle)

RESPONSIVE DOCUMENTS:

ALLIANCE FOR RETAIL MARKET REQUEST NO.: ARM03-04

QUESTION:

Please calculate the UEDIT Rider credits for each rate class based on a two-year amortization period. Please provide a side-by-side comparison of those UEDIT Rider credits and the proposed UEDIT Rider credits in CenterPoint's application.

ANSWER:

A revision to the proposed UEDIT Rider was made in GCCC01-06. The side-by-side comparison of the credits for each rate class below reflects that revision.

| Class | | 3 Yr Amount | | 2 Yr Amount | | 3 Yr Rates | | 2 Yr Rates | |
|---------------------------|----|--------------|----|--------------|------|------------|----|------------|--|
| 01033 | | | | | | | | | |
| Residential | \$ | (21,143,270) | \$ | (30,548,168) | \$ (| 0.000725) | \$ | (0.001048) | |
| Secondary | | | | | | | | | |
| =<10 Kva | | (528,787) | | (764,001) | (| 0.000576) | | (0.000832) | |
| >10 Kva | | (12,854,242) | | (18,572,034) | (1 | 0.156695) | | (0.226396) | |
| Primary | | (1,216,286) | Π | (1,757,311) | (| 0.090356) | | (0.130549) | |
| Transmission | | (2,834,514) | | (4,095,355) | (1 | 0.095129) | | (0.137444) | |
| Street Lighting | | (1,022,952) | Γ | (1,477,979) | (1 | 0.005008) | | (0.007235) | |
| Miscellaneous Lighting | | (54,165) | | (78,259) | (| 0.001106) | | (0.001597) | |
| TOTAL | \$ | (39,654,216) | \$ | (57,293,107) | | | | | |

SPONSOR (PREPARER):

Kristie Colvin/Matthew Troxle (Kristie Colvin/Matthew Troxle)

RESPONSIVE DOCUMENTS:

CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of May 2019, a true and correct copy of the foregoing document was served on all parties of record in accordance with 16 Tex. Admin. Code § 22.74.

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