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APPLICATION OF CENTERPOINT § PUBLIC UTILITY COMMISSION
ENERGY HOUSTON ELECTRIC, LLC § FILING CLERK
FOR AUTHORITY TO CHANGE RATES § OF TEXAS

TEXAS COAST UTILITIES COALITION'S PRELIMINARY LIST OF ISSUES

The Texas Coast Utilities Coalition ("TCUC") of cities hereby provides its response to the Public Utility Commission of Texas' ("Commission") Order of Referral that permits each party to submit a list of issues to be addressed in this docket. Below TCUC presents its preliminary list of issues.¹ TCUC submits that each of the issues it lists below is relevant to the issues the Commission must decide under Chapter 36 – Rates, and Chapter 38 – Regulation of Electric Service, under the Public Utility Regulatory Act (PURA).

1. Is the notice that CenterPoint Energy Houston Electric (CEHE) provided adequate and consistent with the requirements of PURA §§ 36.102 and 36.103?
2. Is CEHE's request for a rate increase just and reasonable and supported by a preponderance of the evidence?
3. Are CEHE's operations-and-maintenance (O&M) expenses (including but not limited to executive compensation, pension benefits, other post-employment benefits, advertising, marketing, dues, donations, outside services and political expenditures) just and reasonable and supported by a preponderance of the evidence?
4. Has CEHE shown by a preponderance of the evidence that all test year and post-test-year O&M expenditures are reflective of normalized ongoing levels, reasonable, necessary, and properly matched with test-year-end customer levels and rate-base valuation?
5. Has CEHE shown by a preponderance of the evidence that the allocations between wholesale and retail jurisdictions are necessary, just, and reasonable?
6. Has CEHE accurately calculated its change in revenues, i.e., does \$186,603,209 accurately reflect CEHE's requested increase in retail revenues and does \$6,282,552 accurately reflect CEHE's requested change in wholesale revenues? Has CEHE accurately

¹ TCUC has just begun its discovery of CenterPoint Energy Houston Electric, LLC's ("CEHE") rate-filing package. TCUC reserves the right to add issues to, or remove issues from, its preliminary list of issues. TCUC's issues are not intended to be an exhaustive list of issues to be addressed in this proceeding.

calculated the change in annual revenues of approximately \$(32,358,663) resulting from implementation of Rider UEDIT?

7. Are all components of CEHE's rate base reasonable and necessary and supported by a preponderance of the evidence? Are CEHE's costs related to those capital additions reasonable and prudently incurred and supported by a preponderance of the evidence?
8. Are CEHE's proposed tariffs provided in the rate filing package just and reasonable and supported by a preponderance of the evidence?
9. Are CEHE's proposed riders provided in the rate filing package just and reasonable and supported by a preponderance of the evidence?
10. Has CEHE reasonably calculated its test year taxes other than income taxes, including ad valorem taxes and the Texas franchise (gross margin) tax?
11. Is CEHE's proposed treatment of federal income taxes consistent with PURA and the Commission's Substantive Rules?
12. Has CEHE correctly accounted for changes in federal tax law resulting from the passage of the Tax Cuts and Jobs Act of 2017 ("TCJA")?
13. Has CEHE properly accounted for the return of approximately \$97 million of excess deferred federal income tax unprotected balance that resulted from the TCJA?
14. How should the protected excess deferred federal income tax balance that resulted from the TCJA be reflected in rates?
15. What is a reasonable return on equity (ROE) for CEHE?
16. What is a reasonable rate of return (ROR) that will allow CEHE a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing utility service?
17. What is a reasonable capital structure for CEHE?
18. What is the amount of CEHE's invested capital in rate base assets used and useful in providing utility service to its end-use customers?
19. Has CEHE shown by a preponderance of the evidence that its invested capital since its last rate case was prudently incurred?

20. Has CEHE reasonably quantified each element of its rate base, including Plant in Service, Accumulated Depreciation, Prepayments, Pension Asset, Cash Working Capital, Customer Advances/Deposits and Accumulated Deferred Income Taxes?
21. Has CEHE shown by a preponderance of the evidence that its proposed depreciation and amortization rates, procedures and practices for transmission plant, distribution plant, general plant, intangible plant, its estimated salvage amounts, its reserve shortfall recovery, and its gain on sales are just, reasonable, and necessary?
22. What amount, if any, of CEHE's affiliate expenses are just and reasonable, properly allocated or assigned, and recoverable through rates from its end-use customers?
23. What is the just and reasonable amount of corporate overhead expenses and capital investment that is properly allocable to CEHE's Texas end-use customers?
24. To the extent, if any, municipal franchise fees are recovered in rates, has CEHE accurately calculated its revenues related to franchise fees?
25. Should the costs of any of CEHE's incentive compensation programs be recovered through rates?
26. Whether CEHE's quality of service meets the needs of its customers, including the timeliness of connections, disconnections, the provision of new-service connections, and emergency disconnection of service?
27. Are CEHE's rate case expenses reasonable and necessary?
28. Are the intervening municipalities', including TCUC's, rate case expenses reasonable?
29. Is CEHE's proposed cost allocation and rate design just, reasonable and necessary, and supported by a preponderance of the evidence?
30. Is CEHE's proposed allocation of its revenue requirement among rate classes reasonable and supported by a preponderance of the evidence?
31. Has CEHE properly accounted for the recovery of its Hurricane Harvey regulatory asset through rates?
32. Is CEHE's proposal to update certain Discretionary Service charges reasonable and supported by a preponderance of the evidence?
33. Has CEHE complied with all requirements of the Commission's final orders in Docket Nos. 38339, 48065, and 48226?

34. Should the Commission approve CEHE's proposed new facility extension policies for electric vehicle public charging stations and for premium service requests?
35. Should the Commission approve CEHE's request to install voltage regulation battery assets?

WHEREFORE, TCUC respectfully requests that the Commission issue a preliminary order incorporating TCUC's list of issues and grant TCUC such other relief to which it may be entitled.

Respectfully submitted,

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**ATTORNEYS FOR TEXAS COAST
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CERTIFICATE OF SERVICE

I hereby certify that on this the 24th day of April 2019, a true and correct copy of *Texas Coast Utilities Coalition's Preliminary List of Issues* was served upon all parties of record by facsimile and/or First-Class United States mail, postage paid.

By: 

Brennan J. Foley