



Control Number: 49421



Item Number: 451

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June 7, 2019

VIA HAND DELIVERY

Public Utility Commission of Texas
ATTN: CENTRAL RECORDS
1701 N. Congress Ave.
Austin, TX 78711-2967

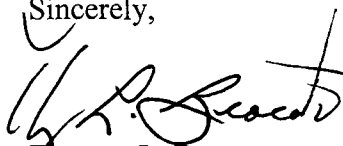
Re: SOAH Docket No. 473-19-3864; PUC Docket No. 49421; *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*

Dear Parties of Record:

It has come to our attention that on page 27 of the Redacted Direct Testimony of Lane Kollen on behalf of Gulf Coast Coalition of Cities, confidential information was inadvertently left unredacted. We would ask parties that have signed the protective order to take appropriate steps to treat the page as confidential information as defined in the Protective Order. For those parties that have not signed the protective order we would ask that they destroy page 27 and notify us once that has occurred. Additionally we are attaching a redacted version of page 27. We request that you substitute this page with the redacted version filed yesterday.

We apologize for any inconvenience that this error may have caused. Thank you for your cooperation with this matter.

Sincerely,


Thomas L. Brocato

TLB:hec
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Attachment

cc: All Parties of Record

1 **Q. IS THAT A VALID ARGUMENT?**

2 A. No. The cash collected in rates for the pension costs is placed in the pension plan
3 trust fund, which also is irrevocable, so there is no practical distinction between the
4 recovery and funding of OPEB and pension costs that merits differing treatments
5 between an accrued liability for OPEB costs and a prepaid asset for pension costs.

6 **Q. HAVE YOU REFLECTED AN ADJUSTMENT TO SUBTRACT THE [REDACTED]**
7 **MILLION FROM RATE BASE?**

8 A. No. However, if the Commission allows the Company to include the prepaid pension
9 asset, then it also should require the subtraction of the [REDACTED] million
10 postretirement benefit regulatory liability that it calculated, not the \$6.910 million
11 reflected in its filing.

12 **2. Correct Medicare Part D Regulatory Asset**

13 **Q. DESCRIBE THE COMPANY'S MEDICARE PART D REGULATORY ASSET**
14 **AND ITS REQUEST TO AMORTIZE AND RECOVER IT.**

15 A. The Company included \$33.204 million for a Medicare Part D regulatory asset in rate
16 base and seeks to amortize this amount over three years through an amortization
17 expense of \$11.068 million.²⁷

18 The Company calculated this regulatory asset and the amortization expense in
19 multiple steps. In the first step, it calculated the difference between the
20 postretirement benefit expense without the Medicare Part D subsidy and the
21 postretirement benefit expense with the Medicare Part D subsidy starting in 2004 and
22 extending through 2018.

²⁷ CEHE Workpapers (Redacted), Tab WP CWP-01 (Summary).