



Control Number: 49421



Item Number: 526

Addendum StartPage: 0

TABLE OF CONTENTS

I.	STATEMENT OF QUALIFICATIONS	4
II.	PURPOSE AND SCOPE OF TESTIMONY	5
III.	SUMMARY OF CENTERPOINT'S REQUEST	7
IV.	SUMMARY OF STAFF'S RECOMMENDATION.....	9
V.	ADJUSTMENTS TO CENTERPOINT'S REQUEST	10
A.	Incentive Compensation	10
B.	Supplemental (Non-Qualified) Pension Expense.....	18
C.	Injuries and Damages	21
D.	Known and Measurable Reduction in Force from Vectren Acquisition	25
E.	Affiliate Adjustments – Carrying Charges on Shared Assets	26
F.	Regulatory Asset for Texas Margins Tax.....	28
G.	Amortization of All Regulatory Assets and Liabilities	31
H.	Adjustments Recommended by Other Staff Witnesses	32
I.	<i>Ad Valorem</i> Taxes	33
J.	Texas Margins Tax	34
K.	Payroll Taxes	35
L.	Federal Income Tax Expense	36
M.	Cash Working Capital	37

ATTACHMENTS

Attachments Relating to Staff's Revenue Requirement Model

MF-1	Staff's Revenue Requirement Model
MF-2	Staff's Depreciation Expense Worksheet
MF-3	Staff's Operation and Maintenance Expense Worksheet
MF-4	Staff's Incentive Compensation Worksheet
MF-5	Staff's Injuries and Damages Worksheet
MF-6	Staff's Regulatory Assets and Liabilities Worksheet
MF-7	Staff's <i>Ad Valorem</i> Tax Worksheet
MF-8	Staff's Texas Margins Tax Worksheet
MF-9	Staff's Cash Working Capital Worksheet

Other Attachments

MF-10	List of Previous Testimonies of Mark Filarowicz
MF-11	Supporting Documents Relating to the Adjustment to Incentive Compensation
MF-12	Supporting Documents Relating to the Adjustment to Supplemental (Non-Qualified) Pension Expense
MF-13	Supporting Documents Relating to the Adjustment to Injuries and Damages
MF-14	Supporting Documents Relating to the Adjustment to Reduction in Force from Vectren Acquisition
MF-15	Supporting Documents Relating to the Adjustment to Carrying Charges on Shared Assets
MF-16	Supporting Documents Relating to the Adjustment to Regulatory Asset for Texas Margins Tax

1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Mark Filarowicz. My business address is 1701 N. Congress Avenue,
4 Austin, Texas.

5 **Q. Who is your employer and what is your position?**

6 A. I am employed by the Public Utility Commission of Texas (“PUCT” or “Commission”)
7 as a Senior Financial and Accounting Analyst in the Rate Regulation Division.

8 **Q. What are your principal responsibilities as a Senior Financial and Accounting**
9 **Analyst for the Commission?**

10 A. My responsibilities include testifying as an expert witness on accounting and financial
11 matters in rate cases and other applications filed with the Commission and participating
12 in the overall examination, review, and analysis of such applications. My
13 responsibilities also include leading or participating in Commission rulemakings.

14 **Q. Please describe your professional and educational background.**

15 A. In December 2003, I graduated *summa cum laude* from the University of Texas at
16 Austin with a Bachelor of Science degree in Actuarial Mathematics and a Bachelor of
17 Arts degree in Philosophy.

18 I am licensed as a Certified Public Accountant (“CPA”) in the State of Texas.

19 I am a member of the CFA Institute and an exam candidate in the Chartered
20 Financial Analyst Program. The Chartered Financial Analyst Examination (“CFA
21 Exam”) requires candidates to study for and take a three-part examination over a
22 minimum three-calendar-year period. The curriculum for the CFA Exam is extensive
23 and comprehensive; it covers a core body of knowledge fundamental to the practice of
24 investment management and includes the subjects of finance, economics, statistics,
25 accounting and financial reporting, equity, fixed income, alternative investments,

1 derivatives, and ethical and professional conduct. I have passed Levels I and II of the
2 CFA Exam.

3 From June 2009 to June 2015, I was employed by the Railroad Commission of
4 Texas in varying capacities as a legal assistant and researcher, as an accountant, and as a
5 budget analyst. In July 2015, I began employment with the PUCT in the Rate
6 Regulation Division. During my time at the PUCT, I have reviewed numerous electric
7 utilities' rate change applications.

8 **Q. Have you previously filed testimony in regulatory proceedings before the**
9 **Commission?**

10 A. Yes. Attachment MF-10 details the dockets in which I have filed testimony on behalf of
11 the public interest before the Commission. I have also filed memoranda and otherwise
12 participated in myriad other dockets and projects before the Commission.

13 **II. PURPOSE AND SCOPE OF TESTIMONY**

14 **Q. What is the purpose of your testimony in this proceeding?**

15 A. The purpose of my testimony is to present Staff's recommended accounting adjustments
16 to, and Staff's overall recommended revenue requirement regarding, CenterPoint Energy
17 Houston Electric's ("CenterPoint" or the "Company") request to change its rates in this
18 docket based on a test year comprising the 12-month period ending December 31, 2018.
19 The Company's most recent base rate case was Docket No. 38339,¹ based on a test year
20 ending December 31, 2009.

¹ *Application of CenterPoint Electric Delivery Company, LLC, for Authority to Change Rates*, Docket No. 38339
(Jun. 23, 2011)

1 **Q. What is the scope of your review?**

2 A. My review encompasses analysis of the *Application of CenterPoint Energy Houston*
3 *Electric, LLC for Authority to Change Rates* (the “Application”) as filed on April 5,
4 2019; the Company’s required 45-day update thereto filed on May 20, 2019; and the
5 Company’s responses to parties’ Requests for Information (“RFIs”) throughout the
6 proceeding.

7 **Q. What is the basis of your recommendation?**

8 A. The basis of my recommendation is my review and evaluation of the Company’s
9 testimony, workpapers, supporting documentation, and responses to RFIs.

10 **Q. What standards are you applying in the determination of the reasonableness of**
11 **CenterPoint’s accounting requests and overall requested revenue requirement?**

12 A. I am applying standards set forth in the Public Utility Regulatory Act, Tex. Util. Code
13 Ann. § 36.051 (“PURA”), which states :

14 In establishing an electric utility’s rates, the regulatory authority
15 shall establish the utility’s overall revenues at an amount that will
16 permit the utility a reasonable opportunity to earn a reasonable
17 return on the utility’s invested capital used and useful in providing
18 service to the public in excess of the utility’s reasonable and
19 necessary operating expenses.

20 I am also applying 16 Tex. Admin. Code (“TAC”) § 25.231, otherwise known as the
21 Commission’s Cost of Service rule, which states in part:

22 (a) **Components of cost of service.** Except as provided in
23 subsection (c)(2) of this section, relating to invested
24 capital; rate base, and §23.23(b) of this title (relating to
25 Rate Design), rates are to be based upon an electric
26 utility’s cost of rendering service to the public during a
27 historical test year, adjusted for known and measurable
28 changes. The two components of cost of service are
29 allowable expenses and return on invested capital.

30 (b) **Allowable expenses.** Only those expenses which are
31 reasonable and necessary to provide service to the public

1 shall be included in allowable expenses. In computing an
2 electric utility's allowable expenses, only the electric
3 utility's historical test year expenses as adjusted for known
4 and measurable changes will be considered, except as
5 provided for in any section of these rules dealing with fuel
6 expenses.

7 (c) **Return on invested capital.** The return on invested
8 capital is the rate of return times invested capital.

9 (2) **Invested capital; rate base.** The rate of return is
10 applied to the rate base. The rate base, sometimes
11 referred to as invested capital, includes as a major
12 component the original cost of plant, property, and
13 equipment, less accumulated depreciation, used
14 and useful in rendering service to the public.

15 **Q. On whose behalf are you testifying in this proceeding?**

16 A. I am testifying on behalf of the Commission Staff, whose duty it is to represent the
17 public interest in such proceedings. PURA § 11.002(a) provides, "This title is enacted
18 to protect the public interest inherent in the rates and services of public utilities."

19 **III. SUMMARY OF CENTERPOINT'S REQUEST**

20 **Q. Please summarize CenterPoint's request.**

21 A. CenterPoint requests a total revenue requirement of \$2,282,204,000 (rounded), as
22 presented on Schedule I-A-1.² My testimony addresses this revenue requirement. Staff
23 witness Brian Murphy uses Staff's recommended revenue requirement to development
24 Staff's recommended wholesale transmission and retail delivery cost of service. The
25 Company's requested revenue requirement as well as Staff's adjustments thereto are
26 presented in the series of schedules included as Attachment MF-1 to this testimony. The
27 first column of each schedule presents the test-year book balances. The second column

² Application, Schedule I-A-1 (Apr. 5, 2019). While often Schedule I-A-1 displays a Company's total requested cost of service, in this proceeding, CenterPoint's Schedule I-A-1 does not include certain transmission-related items. For Staff's recommended cost of service, see the testimony of Staff witness Brian Murphy.

1 reflects the adjustments proposed by CenterPoint that, when added to the test-year
2 amounts, result in the Company's December 31, 2018 adjusted total request that is
3 presented in the third column of each schedule. Staff's adjustments to CenterPoint's
4 request are reflected in the fourth column, and Staff's recommended revenue
5 requirement appears in the last column of each schedule.

6 **Q. Are all of the costs that are included in the Company's requested revenue**
7 **requirement directly incurred by CenterPoint?**

8 A. No. While many costs were directly incurred by CenterPoint, many other costs were
9 incurred by its affiliated service companies.

10 **Q. Did CenterPoint file errata to its Application?**

11 A. Yes. On May 20, 2019, CenterPoint filed errata that included various adjustments to its
12 Application.³

13 **Q. Did CenterPoint file corrected schedules with its errata to its Application?**

14 A. No. CenterPoint represented in the filing of its errata that it will present corrected
15 schedules when it files its rebuttal testimony in this docket. Specifically, CenterPoint
16 asserts:

17 Since the filing of CenterPoint Energy Houston Electric, LCC's
18 ("CenterPoint Houston") Application for Authority to Change
19 Rates, CenterPoint Houston has identified certain corrections to
20 its Rate Filing Package ("RFP") Schedules and Workpapers.
21 CenterPoint Houston anticipates filing updated RFP Schedules
22 and Workpapers including these corrections with its rebuttal
23 testimony.⁴

³ CenterPoint Energy Houston Electric, LLC's Errata 1 Filing of the Rate Filing Package Schedules and Workpapers (May 20, 2019).

⁴ *Ibid.* at Page 2.

CenterPoint filed, via cover letter dated June 3, 2019, changes to direct testimonies relating to its adjustments contained in its errata; this filing did not include updated revenue requirement schedules to reflect CenterPoint's amended request based on its errata.⁵

Because, as of the date of this testimony, CenterPoint has failed to file updated schedules that make up its requested revenue requirement, Staff's model starts with CenterPoint's schedules from its April 5, 2019 Application.

IV. SUMMARY OF STAFF'S RECOMMENDATION

Q. Please summarize Staff's recommendation.

A. As shown on Schedule I of Attachment MF-1, Staff recommends a revenue requirement of \$2,126,238,000 (rounded) which is an adjustment of (\$155,967,000) (rounded) to the Company's request. As noted above, this is an adjustment to CenterPoint's initial request in its Application and is not an adjustment to its errata. Staff witness Murphy uses this revenue requirement to develop Staff's recommended wholesale transmission and retail delivery cost of service and recommended rates.

Q. Are you sponsoring any of the adjustments to the Company's requested revenue requirement?

A. Yes. Based on my review of CenterPoint's Application and its responses to RFIs, I propose several adjustments to the total revenue requirement, including direct adjustments relating to incentive compensation, supplemental (non-qualified) pension expense, injuries and damages, reduction in force from the Vectren acquisition, carrying

⁵ Update to CenterPoint Energy Houston Electric, LLC's Errata 1 Filing of the Rate Filing Package Schedules and Workpapers (Jun. 3, 2019).

1 charges on shared assets, regulatory asset regarding Texas margins tax, and amortization
2 of regulatory assets and liabilities. Staff's revenue requirement model, attached to this
3 testimony as Attachment MF-1, also reflects the flow-through effects, based on other
4 Staff recommendations, to *ad valorem* tax, Texas margins tax expense, payroll tax
5 expense, federal income tax expense, depreciation expense, and cash working capital.

6 **V. ADJUSTMENTS TO CENTERPOINT'S REQUEST**

7 **A. Incentive Compensation**

8 **Q. Please describe the Company's request in its Application with respect to incentive**
9 **compensation generally.**

10 A. CenterPoint included in its request various amounts pertaining to incentive
11 compensation. CenterPoint requested to include in rates amounts for both short-term
12 and long-term incentive compensation; amounts for incentive compensation incurred by
13 the Company directly and those incurred by its affiliates; and amounts relating to
14 incentive compensation paid for financially based measures and those paid for
15 operational measures. In response to RFIs, CenterPoint provided details about these
16 amounts including breakdowns by FERC account.⁶

17 Company witnesses Kristie L. Colvin and Lynne Harkel-Rumford discuss
18 CenterPoint's request for incentive compensation generally; Ms. Harkel-Rumford
19 further elaborates on the specific amounts and calculations included in CenterPoint's
20 request. Company witness John J. Reed discusses what he believes to be the

⁶ CenterPoint's Response to RFI No. Staff 3-01 (May 8, 2019) (Attachment MF-11).

1 reasonableness of the Company’s inclusion of financially based incentive despite long-
2 standing Commission precedent disallowing it.

3 **Q. Did CenterPoint’s overall incentive compensation include a financial trigger?**

4 A. Yes. In her direct testimony, Ms. Harkel-Rumford notes,

5 In addition, the STI [short-term incentive] plan is funded only when CNP
6 [CenterPoint Energy, Inc.] achieves the plan goals, which are linked to
7 creating benefits for key stakeholders, including customers.⁷

8 The payments for all incentive compensation amounts depended on the achievement of
9 overall plan goals, including financial measures.

10 **Q. Please discuss, at a high level, your adjustment related to CenterPoint’s financial**
11 **based incentive compensation and overall incentive compensation requested in**
12 **rates.**

13 A. I recommend adjusting CenterPoint’s request by removing all amounts relating to
14 financially based incentive compensation and some amounts relating to other (non-
15 financially based) incentive compensation. My recommendation aligns with long-
16 standing and recent Commission precedent on incentive compensation (as
17 discussed below).

18 **Q. Why would a public utility commission or public service commission prohibit the**
19 **inclusion of financially-based incentive compensation in rates?**

20 A. From a theoretical perspective of utility ratemaking, the benefits that arise from a utility
21 achieving financial metrics—including those relating to maximizing profit and growth,
22 to increasing earnings per share, and to increasing return on equity—tend to accrue to

⁷ Application, Direct Testimony of Lynne Harkel-Rumford at Pages 28 and 29 of 46 (Apr. 5, 2019).

1 the benefit of Company shareholders and executives (and other employees), not to the
2 benefit of ratepayers. Conversely, the same theoretical underpinnings hold that benefits
3 that arise from a utility achieving operational metrics—including those relating to safety
4 and to customer satisfaction—tend to accrue to the benefit of all stakeholders, including
5 ratepayers.

6 **Q. Are you persuaded by CenterPoint’s arguments about the reasonableness of**
7 **inclusion of financially based incentive compensation in rates despite many general**
8 **arguments to the contrary and long-standing Commission precedent disallowing it?**

9 A. No; not at all. The Commission precedent disallowing financially based incentive
10 compensation is long-standing and unambiguous.

11 Furthermore, when considering inclusion of non-financially based incentive
12 compensation in Docket No. 43695 at its Open Meeting held December 3, 2015, the
13 Commission stated:

14 [W]e have well established precedent on incentive compensation and I
15 think a high bar should be placed for recovery of any plan that mixes
16 financially-based and performance-based metrics.⁸

17 It is important to note that the “high bar” referred to the amounts for non-
18 financially based incentive compensation; the financially based amounts were not
19 being addressed in this quote, and those amounts were removed entirely in the
20 final order.

⁸ Open Meeting Tr. at 184:13-16 (Dec. 3, 2015).

1 **Q. Is your recommendation regarding incentive compensation consistent with**
2 **Commission precedent?**

3 A. Yes. Consistent with the Commission's recent precedent in Docket Nos. 43695 and
4 46449, I recommend removing all of CenterPoint's financially based incentive
5 compensation and half of CenterPoint's other (non-financially based) incentive
6 compensation from rates.

7 **Q. What is the history of Commission precedent on incentive compensation? What**
8 **was the Commission's specific treatment of incentive compensation in Docket Nos.**
9 **43695 and 46449 that you mention?**

10 A. There are long-standing and multiple Commission precedents disallowing financially
11 based incentive compensation from rates. In Docket No. 33309, a base rate case for
12 another TDU in Texas, for example, the Commission disallowed AEP's financially
13 based incentive compensation, finding that:

14 TCC's [AEP Texas Central Company, predecessor of AEP] inclusion of
15 annual and long-term incentive compensation related to financial
16 incentives in cost of service is unreasonable because it is not necessary
17 for the provision of T&D [transmission and distribution] utility services.⁹

18 This finding in Docket No. 33309 has been upheld numerous times since in
19 subsequent dockets.

20 In Docket No. 43695, a base rate proceeding for Southwestern Public
21 Service Company ("SPS"), the Commission noted that "[i]t is well-established that
22 a utility may not include in its rates the costs of incentives that are tied to financial-

⁹ Docket No. 33309, Order on Rehearing, Finding of Fact No. 82 (Mar. 4, 2008).

1 performance measures.”¹⁰ In Docket No. 43695, the Commission ultimately
2 decided to use the methodology that the Office of Public Utility Counsel
3 (“OPUC”) recommended, noting that “OPUC’s expert calculated a partial
4 reduction [to other (non-financially based) incentive compensation] to better
5 reflect that the plan has a financially-based trigger and incents each employee to
6 meet financially-based performance goals.”¹¹

7 In Docket No. 46449, a base rate case for Southwestern Electric Power Company
8 (“SWEPCO”), the Commission disallowed SWEPCO’s financially based incentive
9 compensation, finding that:

10 The Commission has repeatedly ruled that a utility cannot recover the
11 cost of financially-based incentive compensation because financial
12 measures are of more immediate benefit to shareholders and financial
13 measures are not necessary or reasonable to provide utility services.¹²

14
15 In Docket No. 46449, the Commission upheld the methodology it previously approved
16 in Docket No. 43695.

17 I recommend using (functionally) the same methodology that the Commission
18 upheld in Docket Nos. 43695 and 46449. At the end of the day, this methodology
19 removes all financially-based incentive compensation and a percentage of the remaining
20 compensation whose payment is based on a trigger that is, in part, financially based.
21
22
23

¹⁰ *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 43695, Order on Rehearing at 5 (Feb. 23, 2016).

¹¹ *Ibid.*

¹² Docket No. 46449, Order on Rehearing, Finding of Fact No. 194 (Mar. 19, 2018).

1 **Q. Please quantify your recommendation regarding incentive compensation.**

2 A. I recommend removing all of CenterPoint's financially based incentive compensation
3 from rates, for a total of \$33,470,000 (rounded), as shown broken out by plan type and
4 by entity in the following table:

Table MF-1	
Financially Based Incentive Compensation (rounded)	
By Plan Type:	
Short-term Incentive Compensation	\$22,220,000
Long-term Incentive Compensation	\$11,250,000
By Entity:	
Company Direct	\$16,100,000
Affiliates	\$17,369,000

5 I further recommend removing half of CenterPoint's other (i.e. non-financially
6 based) incentive compensation from rates, for a total removal of \$2,327,000 (half of the
7 expense for non-financially based incentive compensation included in CenterPoint's
8 request), as shown broken out by plan type and by entity in the following table:

Table MF-2	
Other (Non-financially Based) Incentive Compensation (rounded)	
By Plan Type:	
Short-term Incentive Compensation	\$2,327,000
Long-term Incentive Compensation	\$0
By Entity:	
Company Direct	\$0
Affiliates	\$2,327,000

9 In removing the amounts for financially based incentive compensation and other
10 (non-financially based) incentive compensation, I used the amounts for individual FERC

1 accounts as presented by CenterPoint in its response to RFI No. Staff 3-01 and the other
2 locations identified in that RFI response.¹³

3 **Q. Please explain your calculation for short-term incentive compensation.**

4 A. Unlike CenterPoint's long-term incentive compensation that is all financially based,
5 CenterPoint's short term incentive compensation is partially financially based and
6 partially not. Some of the payments for short-term incentive compensation are based on
7 the achievement of financial metrics, while some are based on operational metrics.

8 In removing the entire amount related to financially based short-term incentive
9 compensation, I apply the percentages of financial metrics as presented in CenterPoint's
10 response to RFI No. COH 3-17 (included in Attachment MF-11)¹⁴ to the total test-year
11 amounts by FERC account as presented in WP V-K-6.1¹⁵ and referred to by CenterPoint
12 in its RFI response to RFI No. Staff 3-01.¹⁶

13 **Q. Do you consider the same metrics to be financial and operational that CenterPoint**
14 **considers to be financial and operational?**

15 A. No. CenterPoint and I agree on the categorization of four out of five metrics, but not on
16 one metric. We agree that the metrics relating to "Overall Company Core Operating
17 Income" and "Overall CNP Consolidated Diluted Earnings per Share" are financially
18 based, and that the metrics relating to "Customer Satisfaction Composite" and "Overall
19 Company Safety Performance Composite" are operational metrics. We disagree on the
20 categorization of the metric relating to "Overall O&M Expenditures." In CenterPoint's

¹³ CenterPoint's Response to RFI No. Staff 3-01 (May 8, 2019) (Attachment MF-11).

¹⁴ CenterPoint's Response to RFI No. COH 3-17 (May 13, 2019) (Attachment MF-11).

¹⁵ Application, WP V-K-6.1 (Apr. 5, 2019).

¹⁶ CenterPoint's Response to RFI No. Staff 3-01 (May 8, 2019) (Attachment MF-11).

1 response to RFI No. COH 3-17, CenterPoint places this metric under the umbrella
2 heading called “Operational.”¹⁷

3 I believe that the metric relating to operations and maintenance expense is
4 financially based. In general, a metric should be considered to be financial if its
5 achievement or calculation is based on inputs that relate to a utility’s balance sheet or
6 income statement. In this case, the metric for savings in operations and maintenance
7 expense relates to CenterPoint’s income statement.

8 Commission precedent agrees with my categorization and not with
9 CenterPoint’s. Referring to the Proposal for Decision in Docket No. 33309, Company
10 witness Reed, in his direct testimony, writes,

11 Financial goals have previously been identified as those goals that relate
12 to “maximizing profit and growth, increasing earnings per share, or
13 increasing return on equity.”¹⁸

14
15 The metric relating to “Overall O&M Expenditures” is one that relates to maximizing
16 profit, and thus it should be considered to be financially based.

17 In terms of the theoretical framework of utility ratemaking, a utility minimizing
18 (or managing) its operations and maintenance expenses could accrue benefits to different
19 stakeholders. To the extent that a utility uses its savings to fund short-term incentive
20 compensation, it should be presumed that the benefits do not accrue to ratepayers. In
21 this instance, both Commission precedent and ratemaking theory support considering
22 this metric to be financial and not operational.

¹⁷ CenterPoint’s Response to RFI No. COH 3-17 (May 13, 2019) (Attachment MF-11)

¹⁸ Application, Direct Testimony of John Reed at Page 12 of 26 (Apr. 5, 2019).

1 **Q. Were any amounts for incentive compensation capitalized in CenterPoint's**
2 **request?**

3 A. Yes. CenterPoint's request also included amounts for affiliate short-term incentive
4 compensation that were capitalized to invested capital accounts. I recommend removing
5 \$2,365,000 from CenterPoint's rate base, as reflected on Staff's revenue requirement
6 model in Attachment MF-1. I used the same methodology, as described earlier, in
7 calculating the amounts of capitalized incentive compensation to remove from rates as I
8 used to calculate the amounts of expensed incentive compensation to remove from rates.

9 **Q. Why do you recommend removing those capitalized amounts?**

10 A. The Commission has previously found that financially based incentive compensation is
11 unreasonable and not necessary to provide utility service to the public for a TDU. I
12 recommend removing such amounts from rate base so that the utility will not earn a
13 return on these properly disallowed amounts of invested capital.

14 **B. Supplemental (Non-Qualified) Pension Expense**

15 **Q. Please explain what supplemental (non-qualified) pension expense is.**

16 A. Non-qualified pension expenses are amounts paid for an employer-sponsored retirement
17 plan—usually aimed at the unique retirement needs for key executive employees who
18 earn wages far in excess of average wages—that fall outside the scope of the employee
19 retirement income security act ("ERISA") guidelines. Non-qualified pensions include
20 supplemental executive retirement plans ("SERPs") and deferred savings plans.

21

1 **Q. Did CenterPoint include any amounts in its request for annual rates relating to**
2 **non-qualified pension expense?**

3 A. Yes. In its response to RFI No. Staff 2-20 (included in Attachment MF-12), CenterPoint
4 acknowledged that it included amounts relating to supplemental (non-qualified) pension
5 expense in its request in this docket. CenterPoint's request comes despite long-standing
6 Commission precedent disallowing it. The Company requested in annual rates amounts
7 of \$303,818 of directly incurred non-qualified pension expense and an additional
8 \$1,478,817 that was allocated from affiliates.¹⁹

9 **Q. Please explain your adjustment to the Company's requested supplemental (non-**
10 **qualified) pension expense.**

11 A. I recommend removing the amounts for supplemental (non-qualified) pension expense
12 from CenterPoint's revenue requirement, consistent with Commission precedent.

13 **Q. Please provide some examples of recent dockets where the Commission disallowed**
14 **supplemental (non-qualified) pension expense.**

15 A. In Docket No. 46449, the Commission disallowed SWEPCO's non-qualified pension
16 expense, finding that:

17 SWEPCO's requested non-qualified supplemental executive retirement
18 benefits are not reasonable or necessary to provide utility service to the
19 public, are not in the public interest, and should not be included in
20 SWEPCO's cost of service.²⁰

¹⁹ CenterPoint's Response to RFI No. Staff 2-20 (May 6, 2109) (Attachment MF-12).

²⁰ Docket No. 46449, Order on Rehearing, Finding of Fact No. 204 (Mar. 19, 2018).

1 This finding in Docket No. 46449 was consistent with the Commission's earlier,
2 identical finding in Docket No. 40443, SWEPCO's previous base rate case.²¹

3 Furthermore, in Docket No. 46449, the Commission disallowed from rate base
4 SWEPCO's capitalized amounts for non-qualified pension expense, finding that:

5 The capitalized portion of SWEPCO's supplemental-executive-
6 retirement-plan (SERP) that are financially based are properly excluded
7 from SWEPCO's rate base because they are not reasonable or necessary
8 to provide utility service to the public, are not in the public interest, and
9 should not be included in SWEPCO's cost of service.²²

10 Commission precedent disallows non-qualified pension expense from operations and
11 maintenance expense and disallows any capitalized amounts of non-qualified pension
12 expense from rate base.

13 **Q. Were any amounts for supplemental (non-qualified) pension capitalized in**
14 **CenterPoint's request?**

15 A. Yes. CenterPoint's request also included amounts for non-qualified pension expense
16 that were capitalized to invested capital accounts. CenterPoint's request includes a total
17 of \$294,923 of capitalized supplemental (non-qualified) pension expense, including
18 amounts of \$276,629 capitalized for direct company and \$18,294 capitalized for
19 affiliates, as shown on Attachment MF-12.²³

20 **Q. What is your recommendation regarding those capitalized amounts?**

21 A. I recommend removing from rate base any amounts capitalized for non-qualified
22 pension expense.

²¹ Docket No. 40443, Order on Rehearing, Finding of Fact No. 227 (Mar. 6, 2014).

²² Docket No. 46449, Order on Rehearing, Finding of Fact No. 129 (Mar. 19, 2018).

²³ CenterPoint's Response to Staff RFI No. 2-20 (May 6, 2019) (Attachment MF-12).

1 As provided above, the Commission has previously found that non-qualified
2 retirement benefits are not reasonable or necessary to provide utility service to the
3 public, are not in the public interest, and should be excluded from a utility's revenue
4 requirement; the Commission has required such amounts to be removed from rate base
5 so that the utility will not earn a return on these properly disallowed amounts of invested
6 capital. My recommendation conforms with Commission precedent and removes both
7 annual expense amounts and capitalized amounts for non-qualified pensions from
8 CenterPoint's request.

9 **C. Injuries and Damages**

10 **Q. Did CenterPoint include amounts relating to injuries and damages expense in its**
11 **request for rates in this docket?**

12 A. Yes. The Company included an amount of \$20.528 million (rounded) for injuries and
13 damages in the annual rates in its request.²⁴

14 **Q. What adjustment are you proposing to CenterPoint's requested annual amount for**
15 **injuries and damages?**

16 A. I propose an adjustment of (\$2,293,936) to the Company's request for injuries and
17 damages. I recommend this adjustment because CenterPoint's requested annual amount
18 for injuries and damages is unusually large when compared to CenterPoint's previous
19 years' level of expense for injuries and damages.

²⁴ Application, Schedule II-D-2.

1 **Q. Please explain.**

2 A. When compared with annual amounts for injuries and damages as reported on FERC
3 Form 1 annually and filed on the record in Docket No. 35588,²⁵ the test-year amount for
4 injuries and damages, even after the known and measurable adjustment, is greater than
5 CenterPoint's annual average. The FERC Forms 1 for CenterPoint show the following
6 annual amounts for injuries and damages for each year since the end of the test year in
7 CenterPoint's last base rate proceeding:

Table MF-3	
CenterPoint's Injuries and Damages on FERC Form 1	
2009	\$7,289,974
2010	\$4,889,210
2011	\$6,803,926
2012	\$7,502,018
2013	\$15,322,881
2014	\$18,549,983
2015	\$20,736,430
2016	\$12,088,202
2017	\$16,950,989
2018 (Test Year)	\$22,844,718

8 The data show that CenterPoint's requested amount for injuries and damages represents
9 an unusually large annual expenditure for injuries and damages, inconsistent with
10 average annual amounts. The amount of injuries and damages expense incurred during
11 the test year is simply not a recurring or normal level of this expense.

²⁵ *Electric Utilities Financial and Operating Reports (i.e. FERC Form 1, USDA_RUS Form 7, RUS 7a, RUS 12a, etc.) Pursuant to Subst. R. §25.73, Docket No. 35588.*

1 **Q. Is there further evidence that the test-year amount is unusually large and does not**
2 **represent an average annual amount?**

3 A. Yes. In response to RFI No. Staff 9-06 (included in Attachment MF-13),²⁶ CenterPoint
4 provided data for FERC Account No. 925 (in total) for 2019 through the end of March.
5 CenterPoint represented that it incurred \$4,804,781.63 for FERC Account No. 925,
6 Injuries and Damages, from January through March 2019. In updating its response to
7 this RFI, CenterPoint noted that the amount would be \$6,200,353.69 for 2019 updated
8 through April 30, 2019.²⁷ These amounts for the first quarter and third of the current
9 year further support that my adjusted amount is more representative of an average year
10 and that the test-year amount—even as reduced by the Company in its request—is too
11 high and not representative of an average, annual amount.

12 **Q. Is there Commission precedent for adjusting the annual amount for injuries and**
13 **damages included in rates if the test-year amount is unusually high and not**
14 **representative of an average year?**

15 A. Yes. The Commission made an adjustment to SWEPCO's unusually high amount of
16 litigation and damages expense in Docket Number 40443, finding:

17 In the test year, SWEPCO incurred \$4,540,265 as injuries and damages
18 expense.

19 The test-year amount was substantially in excess of the injuries and
20 damages expenses incurred by SWEPCO in the three preceding years.

21 It is reasonable to adjust the test-year amount by a \$550,000 reduction,
22 which is the amount the test year exceeds the average of the expense in
23 the three previous years.²⁸

²⁶ CenterPoint's Response to Staff RFI No. 9-06 (May 28, 2019) (Attachment MF-13).

²⁷ CenterPoint's Response to Staff RFI No. 9-06 (May 31, 2019) (Attachment MF-13).

²⁸ Docket No. 40443, Order on Rehearing, Finding of Fact Nos. 240 through 242 (Mar. 6, 2014).

1 The Commission also made a similar adjustment to SWEPCO's unusually high amount
2 of litigation and damages expense in Docket No. 46449, finding:

3 It is reasonable to adjust the test-year amount by a \$837,667 reduction,
4 which is the amount the test-year litigation expense exceeds the average
5 litigation expense in the three previous years.²⁹

6 Commission precedent allows for an adjustment to the amount of injuries and damages
7 expense when the test-year amount of expense is unusually high.

8 **Q. How did you calculate your adjustment?**

9 A. I calculated my adjustment to CenterPoint's request by computing the average for the
10 last five years (a time period including the test year), and then making an adjustment so
11 that the amount recommended in rates is equal to the average over the last five years.³⁰

12 **Q. Why did you use a five-year average, as opposed to the three- year average that the**
13 **Commission used in the precedential dockets you cited earlier?**

14 A. I used a five-year average, rather than a three-year average, in calculating my adjustment
15 because the five-year period incorporates more data but is still a sufficiently short period
16 to reflect current conditions.

17 **Q. Would your reduction have been greater or lesser if you had calculated based on a**
18 **three-year average?**

19 A. Had I used a three-year average, my adjustment would have been a greater reduction to
20 CenterPoint's request. As seen in the Table MF-3 above, the amounts for FERC
21 Account No. 925 were greater in years 2014 and 2015 than the three-year average of
22 2016 through 2018; accordingly, had I used a three-year average, the total amount of

²⁹ Docket No. 46449, Order on Rehearing, Finding of Fact No. 217 (Mar. 14, 2018)

³⁰ Attachment MF-14.

1 average expense would have been less and the amount of reduction to CenterPoint's
2 request would have been greater.

3 **D. Known and Measurable Reduction in Force from Vectren**
4 **Acquisition**

5 **Q. Please describe the acquisition of Vectren?**

6 A. In his direct testimony, Company witness M. Shane Kimzey describes CenterPoint
7 Energy Inc.'s ("CNP") acquisition of Vectren as follows:

8 In April 2018, CNP [CenterPoint Energy Inc.] entered into an agreement
9 and plan of merger with Vectren. Following the satisfaction of various
10 closing conditions, including federal and state regulatory approvals, the
11 transaction closed on February 1, 2019. Following the close of the
12 transaction, Vectren became a wholly-owned subsidiary of CNP.³¹

13 **Q. Are there any amounts included in rates in CenterPoint's request for employees**
14 **who are no longer employed by the Company after CNP's acquisition of Vectren?**

15 A. Yes. As acknowledged in its response to RFI No. Staff 2-15 (included in Attachment
16 MF-14), CenterPoint identified 32 full-time equivalent ("FTE") positions that are no
17 longer positions with CenterPoint because of the acquisition of Vectren.³² In response to
18 RFI No. Staff 7-02, CenterPoint provided the composition, by FERC account, of the
19 total amount of \$1,651,956.65 related to these 32 employees whose positions were
20 terminated after the closing of the Vectren Acquisition.³³

³¹ Application, Direct Testimony of M. Shane Kimzey at Page 18 of 20 (Apr 5, 2019).

³² CenterPoint's Response to RFI No. Staff 2-15 (May 7, 2019) (Attachment MF-14).

³³ CenterPoint's Response to RFI No. Staff 7-02 (May 28, 2019) (Attachment MF-14).

1 **Q. What is your recommendation regarding these amounts?**

2 A. I recommend removing these amounts from rates. My adjustment uses the amounts and
3 FERC accounts as laid out in the Company's response to RFI No. 7-02.³⁴

4 CenterPoint has acknowledged that it terminated these 32 employees, and,
5 consequently, it will not incur the expenses associated with these 32 FTEs going
6 forward. The Vectren acquisition closed within time that this should have been a known
7 and measurable adjustment to the Company's request in its Application.

8 **Q. Does the existence of these amounts for the terminated 32 FTEs cause concern**
9 **about other amounts relating to efficiency and cost savings achieved from the**
10 **Vectren acquisition still being requested in rates?**

11 A. Yes. The existence of this known and measurable adjustment to payroll expense that the
12 Company should have made raises questions about how many other cost savings relating
13 to the Vectren acquisition may still be present in CenterPoint's request for rates in this
14 proceeding. Based on my review, I have identified this single cost-saving measure.
15 Others may exist, but I am unable to opine within this testimony.

16 **E. Affiliate Adjustments – Carrying Charges on Shared Assets**

17 **Q. What adjustments are you recommending related to CenterPoint's requested**
18 **affiliate expenses?**

19 A. I propose an adjustment to CenterPoint's requested amounts relating to affiliate
20 expenses, specifically associated with carrying charges on shared assets.

21

³⁴ *Ibid.*

1 **Q. What is the adjustment to carrying charges on shared assets that you propose?**

2 A. I propose an adjustment of (\$4,942,320) to remove the equity portion of carrying
3 charges associated with affiliate or shared assets, as identified by CenterPoint in its
4 response to RFI No. Staff 2-37 (included in Attachment MF-15).³⁵ In Docket Nos.
5 43695 and 46449, for example, the Commission disallowed such carrying charges on
6 affiliate assets, finding that such “carrying costs are unnecessary and unreasonable.”³⁶

7 My recommendation follows this Commission precedent. Based on
8 CenterPoint’s response to RFI No. Staff 2-37, I remove a total of \$4,492,320 of carrying
9 charges on shared assets in the indicated FERC accounts.³⁷

10 **Q. Are there any differences between your recommendation and the previously**
11 **mentioned precedent?**

12 A. Yes. In Docket Nos. 43695 and 46449, the Commission removed amounts relating to
13 the equity portion of carrying charges on shared assets charged to the utility, but the
14 Commission allowed the utility to net against this amount the equity portion of any
15 charges that the utility charged to its affiliates on shared assets.³⁸

16 **Q. Why didn’t you include the amounts, if any, that the Company may have received**
17 **as carrying charges to its affiliates on shared assets?**

18 A. I didn’t include any such amounts because CenterPoint failed to provide such
19 information on the record. In Docket No. 46449, for example, Staff’s accounting

³⁵ CenterPoint’s Response to RFI No. Staff 02-37 (May 6, 2109) (Attachment MF-15).

³⁶ Docket No. 43695, Order on Rehearing, Finding of Fact No. 137 (Feb. 23, 2016). Docket No. 46449, Order on Rehearing, Finding of Fact No. 212 (Mar. 19, 2018).

³⁷ CenterPoint’s Response to RFI No. Staff 02-37 (May 6, 2019) (Attachment MF-15).

³⁸ Docket No. 43695, Order on Rehearing, Finding of Fact No. 137 (Feb. 23, 2016). Docket No. 46449, Order on Rehearing, Finding of Fact No. 212 (Mar. 19, 2018).

1 recommendation netted the equity portion of the utility revenues from carrying charges
2 on shared assets against the equity portion of the expenses from carrying charges on
3 shared assets because the utility provided that information in response to an RFI.³⁹
4 When asked a nearly identical RFI in this docket, CenterPoint provided only information
5 about the expenses relating to carrying charges on shared assets that CenterPoint
6 included in its request for rates. It is unclear what amount, if any, CenterPoint received
7 from carrying charges on shared assets.

8 **F. Regulatory Asset for Texas Margins Tax**

9 **Q. Please discuss CenterPoint's request regarding its regulatory asset related to the**
10 **Texas margins tax.**

11 A. As explained by Company witness Colvin, the Company currently books its Texas
12 margins tax as a regulatory asset—rather than as an accrual—and is proposing in this
13 proceeding to change the method to include the accrual amounts in base rates.⁴⁰ Ms.
14 Colvin explains that this change responds to a request from Staff in the Company's
15 DCRF proceedings for it to calculate its Texas margins tax the same way as other
16 utilities.⁴¹

17 **Q. Did Staff request that the Company change its method of booking the Texas**
18 **margins tax?**

19 A. Ms. Colvin is correct that, in previous dockets, Staff has previously expressed concerns
20 with the way CenterPoint determines its Texas margins tax and its recording of a

³⁹ Docket No. 46449, SWEPCO's Response to RFI No. Staff 4-37 (Jan. 19, 2017) (Attachment MF-15).

⁴⁰ Application, Direct Testimony of Kristie L. Colvin at Page 39 of 107 (Apr. 5, 2019).

⁴¹ *Ibid.*

1 regulatory asset. CenterPoint is the only utility I am aware of that records a regulatory
2 asset related to the Texas margins tax.

3 **Q. What is CenterPoint's basis for requesting a regulatory asset associated with the**
4 **Texas margins tax?**

5 A. Ms. Colvin claims that the Commission approved the Company's accounting practice in
6 Docket No. 29526⁴² and, "[b]ecause the Commission has previously approved the
7 Company's recovery of the regulatory asset related to TMT [Texas margins tax], the
8 Company is requesting the same approval in this case, which will allow the Company to
9 recover the regulatory asset."⁴³ Ms. Colvin notes that the Company is proposing to
10 recover this requested regulatory asset over a three-year period through an amortization
11 expense of \$6.5 million annually.⁴⁴

12 **Q. Do you agree with Ms. Colvin that the Commission previously approved recovery**
13 **of a regulatory asset associated with the Texas margins tax?**

14 A. No; I do not. Docket No. 29526 was a proceeding to determine the amount of
15 generation stranded costs and true-up balances pursuant to PURA § 39.262. The
16 Commission's order in that case was issued on December 17, 2004. As confirmed by
17 the testimony of Company witness Charles W. Pringle, the Texas margins tax became
18 effective for tax reports due on or after January 1, 2008.⁴⁵ Prior to that time, entities
19 paid a similar but different tax – namely, the state franchise tax. The Commission could
20 not have approved a regulatory asset for a tax that did not exist at the time of the order in

⁴² *Application of CenterPoint Energy Houston Electric, LLC, Reliant Energy Retail Services, LLC, and Texas Genco, LP to Determine Stranded Costs and Other True-Up Balances Pursuant to PURA § 39.262*, Docket No. 29526, Order on Rehearing (Dec. 17, 2004).

⁴³ Colvin at 40.

⁴⁴ *Ibid.*

⁴⁵ Application, Direct Testimony of Charles W. Pringle at Page 35 of 47 (Apr. 5, 2019).

1 Docket No. 29526. In that case, based on how CenterPoint's predecessor company
2 accounted for the state franchise tax prior to deregulation, the Commission approved
3 recovery of a generation deferred debit related to state franchise taxes. The Order on
4 Rehearing in Docket No. 29526 did not approve any regulatory assets for the regulated
5 transmission and distribution operations.

6 Furthermore, the Company did not request (and its rates did not include) a
7 regulatory asset in rate base related to the Texas margins tax in its most recent base rate
8 proceeding, Docket No. 38339⁴⁶ (a case that was filed more than 5 years after the
9 Commission's order in Docket No. 29526). Attachment MF-16 contains schedules from
10 Docket No. 38339 showing that CenterPoint did not request a regulatory asset relating to
11 Texas margins tax in rate base in that proceeding. Neither the Docket No. 38339
12 Proposal for Decision nor the Order on Rehearing in that proceeding discuss approval of
13 a regulatory asset related to the Texas margins tax.

14 Finally, I again stress that Staff does not know of any other utility that recorded a
15 regulatory asset relating to the treatment of Texas margins tax based on the order in
16 Docket No. 29526.

17 **Q. What adjustments are you proposing with respect to CenterPoint's requested**
18 **Texas margins tax regulatory asset?**

19 A. CenterPoint elected to account for the Texas margins tax in the manner that it does, and
20 the fact that it uses a method that is different from other utilities does not mean that its
21 ratepayers should now pay an additional \$6.5 million annually in order for the Company
22 to conform its accounting to that of the other Texas utilities. In addition to the

⁴⁶ *Application of CenterPoint Electric Delivery Company, LLC, for Authority to Change Rates*, Docket No. 38339, Order on Rehearing (June 23, 2011).

1 amortization of the regulatory asset, CenterPoint further requests to include \$19.6
2 million in rate base in order to earn a return on it.⁴⁷ I recommend that the Texas margins
3 tax regulatory asset requested by CenterPoint be excluded from rate base and that the
4 requested amortization expense of \$6.5 million annually be disallowed.

5 The Commission never ordered CenterPoint to book this regulatory asset, and,
6 consequently, it should be removed both from rate base and from annual amortization
7 expense.

8 **G. Amortization of All Regulatory Assets and Liabilities**

9 **Q. What adjustments are you recommending related to CenterPoint's proposed**
10 **amounts for amortization of its requested regulatory assets and liabilities?**

11 A. Given that it has been eight years since the final order was issued in CenterPoint's last
12 comprehensive base rate case (and nine years in between test-year ends), I believe an
13 amortization period of three years for regulatory assets and liabilities makes it likely that
14 the Company will over-recover these items. The provisions of 16 TAC § 25.247(b)(1)
15 should ensure that it will not be eight years until CenterPoint's next base rate case, but
16 the rule does provide for the Company to go at least four years (with the possibility of
17 additional years) until it is required to file a case. A more reasonable amortization
18 period is five years. This would provide for the four-year stay-out period plus an
19 additional year for the preparation, filing, and processing of a case before new rates
20 would go into effect.

21
⁴⁷ Application, Schedule II-B-12 (Apr. 5, 2019).

1 **Q. What is the impact of changing the amortization period from three to five years?**

2 A. The impact is a reduction to amortization expense of \$1,044,184, as shown Attachment
3 MF-6, Staff's Regulatory Asset and Liability Worksheet; this is the amount to change
4 the amortization period for all other regulatory assets and liabilities, after removing the
5 regulatory assets relating to Texas margins tax as discussed above, from three years to
6 five years. (Attachment MF-6 also calculates the adjustment needed to amortize all
7 regulatory assets and liabilities over a five-year period—an adjustment to reduce annual
8 amortization expense by \$3,661,194—if the Commission should choose not to adopt my
9 recommendation removing the regulatory asset for Texas margins tax.)

10 **Q. Would it be equally reasonable and acceptable, from an accounting perspective, to**
11 **remove certain regulatory assets and liabilities from base rates (i.e. from both rate**
12 **base and amortization expense) for recovery through separate riders?**

13 A. Yes. Recovery through separate riders would provide for recovery of an amount certain
14 and would prevent over-recovery.

15 **H. Adjustments Recommended by Other Staff Witnesses**

16 **Q. Does your calculated revenue requirement reflect the adjustments of other Staff**
17 **witnesses?**

18 A. Yes; it does. Staff witnesses Blake Ianni and Tom Sweatman recommend adjustments
19 to CenterPoint's test-year end level of invested capital, and Mr. Ianni recommends
20 adjustments to CenterPoint's requested operations and maintenance expenses. Staff's
21 recommended revenue requirement reflects the rate of return (as well as individual
22 component costs of capital) as recommended by Staff witness Jorge Ordonez. When

1 calculating flow-through effects on depreciation amounts, I use the depreciation
2 amounts provided to me by Staff witness Reginald Tuvilla's, staff's expert on
3 depreciation in this proceeding. These are the same depreciation rates included in the
4 Company's request.

5 Please refer to the testimonies of other witnesses for further details and
6 explanations regarding their recommendations.

7 **I. Ad Valorem Taxes**

8 **Q. What adjustment are you proposing to CenterPoint's requested *ad valorem* tax**
9 **expense?**

10 A. As shown on Attachment MF-7, I am proposing an adjustment of (\$391,078) to
11 CenterPoint's requested amount for *ad valorem* tax expense. This reduction is a flow
12 through adjustment based on other Staff recommendations. Because Staff recommends
13 reducing the amount of plant in service that CenterPoint has requested in this case, it is
14 appropriate to reduce the amount for *ad valorem* tax expense. My calculation uses the
15 effective rate for *ad valorem* tax expense for CenterPoint for the test year as determined
16 using information from CenterPoint's Application.

17 **Q. Please explain in detail your calculation.**

18 A. In order to calculate the amount of Staff's concomitant adjustment to *ad valorem* tax
19 based on Staff's recommended adjustment to net plant in service, I first compute the
20 effective rate for *ad valorem* tax expense for CenterPoint based on its Application. The
21 test-year amount of *ad valorem* tax expense divided by the test-year amount of plant in

1 service yields an effective rate of 0.818104% (rounded).⁴⁸ Applying this effective rate
2 to Staff's overall adjustment of (\$47,802,896) to plant in service yields an adjustment of
3 (\$391,078) to *ad valorem* tax expense.⁴⁹

4 To be clear, I am not proposing an adjustment to the *ad valorem* tax expense rate
5 itself; I am only calculating an effective rate to produce the effect on *ad valorem* tax
6 expense of the plant in service adjustments recommend by Staff.

7 **J. Texas Margins Tax**

8 **Q. What adjustment are you proposing to CenterPoint's requested amount for Texas**
9 **margins tax expense?**

10 A. As shown on Attachment MF-8, I propose an adjustment of (\$1,169,756) to
11 CenterPoint's requested amount for Texas margins tax expense.⁵⁰ This reduction is a
12 flow through adjustment based on other Staff recommendations. Because Staff
13 recommends reducing the amount of total revenue requirement that CenterPoint has
14 requested in this case, it is appropriate to reduce the amount for Texas margins ax
15 expense as well. My calculation is based on the fact that CenterPoint uses the cost of
16 goods sold (COGS) methodology in calculating its requested amount for Texas margins
17 tax expense in its Application.

18 **Q. Please explain in detail your calculation.**

19 A. Because CenterPoint uses the COGS methodology in calculating its amount for Texas
20 margins tax expense, I also use that methodology in calculating Staff's adjustments.

⁴⁸ Attachment MF-7.

⁴⁹ *Ibid.*

⁵⁰ Attachment MF-8.

1 Staff witnesses propose numerous adjustments that affect total revenue requirement; I
2 am not proposing any adjustments to CenterPoint's COGS, for the purposes of Texas
3 margins tax, in this docket. Therefore, my calculation multiplies Staff's total revenue
4 requirement adjustment of (155,967,422) by the margins tax rate of 0.75% to arrive at
5 my recommended adjustment of (\$1,169,756) to Texas margins tax expense.⁵¹

6 **K. Payroll Taxes**

7 **Q. What adjustment are you proposing to CenterPoint's requested amounts for**
8 **payroll tax expense?**

9 A. As shown on Staff's revenue requirement model in Attachment MF-1, I propose an
10 adjustment of (\$2,857,000) (rounded) to CenterPoint's requested amount of FICA
11 expense.⁵² This reduction is, mostly, a flow through adjustment based on my other
12 recommendations relating to payroll expenses. Because I recommend reducing the
13 amounts for payroll expense that CenterPoint has requested in this case, it is appropriate
14 to reduce the amount for payroll tax expense as well. My adjustment to payroll tax
15 expense includes amounts for FICA related to my recommended reductions for incentive
16 compensation, calculated using the current FICA rate of 7.65%. The total adjustment to
17 payroll tax expense also includes an amount of payroll tax expense in FERC Account
18 No 408.1, as identified in an RFI response from CenterPoint, relating to the 32
19 employees who have been terminated as a result of the Vectren acquisition but for whom
20 CenterPoint included amounts in its request for rates.⁵³

⁵¹ *Ibid.*

⁵² Attachment MF-1.

⁵³ CenterPoint's Response to Staff RFI No. 7-02 (May 28, 2019) (Attachment MF-14).

1 **L. Federal Income Tax Expense**

2 **Q. Please explain your calculation of Staff's adjustment to federal income tax expense.**

3 **A.** My calculation of the amount of federal income tax included in Staff's recommended
4 revenue requirement follows a Tax Method One methodology for calculating federal
5 income tax for a utility, just as the Company's calculation did. In this methodology,
6 changes to return on rate base and cost of debt will impact the amount of federal income
7 tax expense.

8 My calculation of my adjustment to federal income tax expense incorporates the
9 results of Staff's adjustments to CenterPoint's requested balance of invested capital from
10 Staff witnesses Ianni and Sweatman and myself, my adjustments to cash working capital
11 and other rate base items, and the adjustments to the requested rate of return (weighted-
12 average cost of capital) as recommended by Staff witness Ordonez. The amount of
13 invested capital multiplied by the recommended rate of return equals the return on rate
14 base, the beginning amount in the calculation of federal income tax expense. The
15 recommended weighted cost of debt multiplied by the total rate base is used to calculate
16 the deduction for synchronized interest. (Because interest expense is tax deductible, the
17 Company's financing by debt needs to be removed in calculating the amount required
18 for federal income tax expense in its revenue requirement.) My calculation for federal
19 income tax expense incorporates the weighted component cost of debt as recommended
20 by Staff witness Ordonez.

1 **M. Cash Working Capital**

2 **Q. Please explain your adjustment to cash working capital.**

3 A. My recommended adjustment to cash working capital is a flow-through adjustment that
4 is based on the Company's methodology and the results of its lead-lag study. Staff's
5 recommended adjustments to operations and maintenance expenses, federal income
6 taxes, and other taxes were incorporated into CenterPoint's calculation, resulting in
7 Staff's recommended adjustment of (\$2,296,395) to cash working capital.⁵⁴

8 **Q. Does this conclude your testimony?**

9 A. Yes.

⁵⁴ Attachment MF-9.

SOAH DOCKET NO. 473-19-3864
PUC DOCKET NO. 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

Staff Schedule I
Revenue Requirement
(amounts in thousands)

	Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Staff Adjusted Total Electric (e) = (c) + (d)
REVENUE REQUIREMENT					
Operations & Maintenance	\$ 1,442,018	\$ (279,031)	\$ 1,162,987	\$ (49,730)	\$ 1,113,257
Depreciation & Amortization Expense	\$ 378,871	\$ (27,641)	\$ 351,230	\$ (8,652)	\$ 342,578
Taxes Other Than Income Taxes	\$ 268,891	\$ 9,407	\$ 278,298	\$ (4,417)	\$ 273,881
Federal Income Taxes	\$ 71,533	\$ 5,192	\$ 76,725	\$ (25,170)	\$ 51,555
Return on Invested Capital	\$ 476,266	\$ 2,791	\$ 479,058	\$ (67,998)	\$ 411,060
TOTAL	\$ 2,637,579	\$ (289,282)	\$ 2,348,298	\$ (155,967)	\$ 2,192,330
PLUS:					
Decommissioning Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Bypassable Charges	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues	\$ (416,689)	\$ 350,597	\$ (66,092)	\$ -	\$ (66,092)
TOTAL ADJUSTED REVENUE REQUIREMENT	\$ 2,220,890	\$ 61,315	\$ 2,282,206	\$ (155,967)	\$ 2,126,238

0000038

SOAH DOCKET NO 473-19-3864
PUC DOCKET NO 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

Staff Schedule II
O&M Expense
(amounts in thousands)

OPERATIONS AND MAINTENANCE EXPENSE	Acct No	Test Year		Company		Company		Staff		Commission	
		Total	(a)	Adjustments	(b)	Requested	(c)	Adjustments	(d)	Adjusted	(e) = (c) + (d)
				To Test Year		Test Year		To Company		Total Electric	
						Total Electric		Request			
Operations & Maintenance											
Transmission Ops Supr & Engr	560	\$	13,074	\$	222	\$	13,296	\$	(1,406)	\$	11,890
Load Dispatch - Reliability	561 1	\$	47	\$	1	\$	48	\$	(9)	\$	39
Load Dispatch - Monitor/Operate	561 2	\$	5,073	\$	61	\$	5,134	\$	(354)	\$	4,780
Load Dispatch - Serv/Sch	561 3	\$	349	\$	3	\$	352	\$	(33)	\$	319
Load Dispatch - Sch/Con/Disp Serv	561 4	\$	885	\$	14	\$	899	\$	(88)	\$	811
Rel/Plant/Standards Dev Serv	561 5	\$	1,017	\$	46	\$	1,063	\$	(130)	\$	933
General Studies	561 7	\$	166	\$	15	\$	181	\$	(48)	\$	133
Transmission Station Equipment	562	\$	186	\$	61	\$	247	\$	(114)	\$	133
Trans OH Line Expense	563	\$	842	\$	45	\$	887	\$	(176)	\$	711
Underground Line Expenses	564	\$	(2)	\$	2	\$	-	\$	(61)	\$	(61)
Transmission of Electricity by Others (Whe	565	\$	791,308	\$	(244,702)	\$	546,606	\$	-	\$	546,606
Misc. Transmission Expenses	566	\$	3,548	\$	146	\$	3,694	\$	(340)	\$	3,354
Rents	567	\$	98	\$	-	\$	98	\$	-	\$	98
Maint Of Structures	569	\$	739	\$	106	\$	845	\$	(123)	\$	722
Transmission Maint Station Equip	570	\$	10,516	\$	318	\$	10,834	\$	(426)	\$	10,408
Transmission Maint OH Line Exp	571	\$	15,561	\$	103	\$	15,664	\$	(389)	\$	15,275
Maint Of Underground Lines	572	\$	(2)	\$	2	\$	-	\$	(61)	\$	(61)
Maint Of Misc Transmission	573	\$	513	\$	3	\$	516	\$	(21)	\$	495
Distribution Ops Supr & Engr	580	\$	53,346	\$	841	\$	54,187	\$	(5,101)	\$	49,086
Distribution Load Dispatching	581	\$	3,328	\$	60	\$	3,388	\$	(264)	\$	3,124
Distribution Station Expenses	582	\$	921	\$	231	\$	1,152	\$	(288)	\$	864
Distribution OH Line Expenses	583	\$	3,407	\$	341	\$	3,748	\$	(748)	\$	3,000
Underground Line Expenses	584	\$	8,156	\$	283	\$	8,439	\$	(992)	\$	7,447
Street Lighting & Signal Sys	585	\$	48	\$	7	\$	55	\$	(135)	\$	(80)
Meter Expenses	586	\$	27,262	\$	4,053	\$	31,315	\$	(1,010)	\$	30,305
Customer Installations	587	\$	2,920	\$	122	\$	3,042	\$	(285)	\$	2,757
Miscellaneous Distribution Exp	588	\$	35,680	\$	484	\$	36,164	\$	(839)	\$	35,325
Rents	589	\$	125	\$	-	\$	125	\$	-	\$	125
Distribution Maint Supr & Engr	590	\$	5,521	\$	6	\$	5,527	\$	(570)	\$	4,957
Maint Of Structures	591	\$	820	\$	27	\$	847	\$	(48)	\$	799
Distribution Maint Station Equip	592	\$	12,536	\$	428	\$	12,964	\$	(569)	\$	12,395
Distribution Maint OH lines	593	\$	84,709	\$	564	\$	85,273	\$	(4,803)	\$	80,470
Underground Line Expenses	594	\$	12,990	\$	228	\$	13,218	\$	(520)	\$	12,698
Dist Maint Line Trnf, Regulators	595	\$	4,970	\$	-	\$	4,970	\$	-	\$	4,970
Maint Street Light & Signal Sys	596	\$	3,727	\$	44	\$	3,771	\$	(87)	\$	3,684
Maintenance of Meters	597	\$	7,758	\$	2	\$	7,760	\$	(61)	\$	7,699
Maint of Misc Distr Plant	598	\$	2,053	\$	(2)	\$	2,051	\$	(1)	\$	2,050
Meter Reading Exp	902	\$	1,495	\$	4	\$	1,499	\$	(61)	\$	1,438
Customer Records & Collection	903	\$	31,250	\$	491	\$	31,741	\$	(1,849)	\$	29,892
Uncollectible Accounts	904	\$	65	\$	523	\$	588	\$	-	\$	588
Effective Rate						0 000000000000				0 000000000000	
Supervision	907	\$	627	\$	(627)	\$	-	\$	(3)	\$	(3)
Customer Assistance	908	\$	33,734	\$	(30,684)	\$	3,050	\$	(328)	\$	2,722
Information & Instr Advertising	909	\$	3,914	\$	260	\$	4,174	\$	(293)	\$	3,881
Misc Cust Service and Information	910	\$	228	\$	(222)	\$	6	\$	-	\$	6
TOTAL Operations & Maintenance			1,185,508		(266,090)		919,418		(22,633)		896,846

0000039

SOAH DOCKET NO 473-19-3864
PUC DOCKET NO. 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

Staff Schedule II
O&M Expense
(amounts in thousands)

OPERATIONS AND MAINTENANCE EXPENSE		Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Commission Adjusted Total Electric (e) = (c) + (d)
Administrative & General						
Admin & General Salaries	920	\$ 2,371	\$ 58	\$ 2,429	\$ (1,999)	\$ 430
Office Supplies & Exp	921	\$ 1,795	\$ 13	\$ 1,808	\$ (33)	\$ 1,775
Outside Services	923	\$ 1,064	\$ -	\$ 1,064	\$ -	\$ 1,064
Property Insurance	924	\$ 7,315	\$ 3,535	\$ 10,850	\$ -	\$ 10,850
Injuries & Damages	925	\$ 22,845	\$ (2,317)	\$ 20,528	\$ (2,812)	\$ 17,716
Employee Pensions & Benefits	926	\$ 62,096	\$ (15,288)	\$ 46,808	\$ (397)	\$ 46,411
Regulatory Commission Exp	928	\$ 74	\$ (74)	\$ -	\$ -	\$ -
General Advertising Exp	930 1	\$ 367	\$ (244)	\$ 123	\$ -	\$ 123
Miscellaneous General Exp	930 2	\$ 145,091	\$ 1,121	\$ 146,212	\$ (21,185)	\$ 125,027
Rents	931	\$ 10,885	\$ 242	\$ 11,127	\$ (636)	\$ 10,491
Maint Of General Plant	935	\$ 2,607	\$ 13	\$ 2,620	\$ (35)	\$ 2,585
TOTAL Administrative & General		256,510	(12,941)	243,569	(27,096)	216,473
TOTAL O & M EXPENSE		1,442,018	(279,031)	\$ 1,162,987	(49,730)	\$ 1,113,257

0000040

SOAH DOCKET NO. 473-19-3864
PUC DOCKET NO. 48421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

Staff Schedule III
Invested Capital
(amounts in thousands)

	Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Staff Adjusted Total Electric (e) = (c) + (d)
INVESTED CAPITAL					
Plant in Service	\$ 11,714,374	\$ (193,559)	\$ 11,520,815	\$ (47,803)	\$ 11,473,012
Accumulated Depreciation	\$ (4,014,836)	\$ 210,823	\$ (3,804,013)	\$ -	\$ (3,804,013)
Net Plant In Service	\$ 7,699,538	\$ 17,264	\$ 7,716,802	\$ (47,803)	\$ 7,668,999
Construction Work in Progress & RWIP	\$ 427,251	\$ (427,251)	\$ -	\$ -	\$ -
Plant Held for Future Use	\$ 11,382	\$ (10,261)	\$ 1,121	\$ -	\$ 1,121
Accumulated Provisions	\$ (6,931)	\$ (39)	\$ (6,970)	\$ -	\$ (6,970)
Accumulated Deferred Federal Income Taxes	\$ (1,022,136)	\$ 128,971	\$ (893,165)	\$ -	\$ (893,165)
Materials and Supplies	\$ 109,729	\$ -	\$ 109,729	\$ -	\$ 109,729
Cash Working Capital	\$ 72,877	\$ (46,714)	\$ 26,163	\$ (2,296)	\$ 23,867
Prepayments	\$ 17,994	\$ 172,386	\$ 190,380	\$ -	\$ 190,380
Customer Deposits	\$ (17,870)	\$ 17,453	\$ (417)	\$ -	\$ (417)
Regulatory Liabilities	\$ (1,046,387)	\$ 260,346	\$ (786,041)	\$ -	\$ (786,041)
Regulatory Assets	\$ 199,295	\$ (74,384)	\$ 124,911	\$ (19,628)	\$ 105,283
TOTAL INVESTED CAPITAL (RATE BASE)	\$ 6,444,742	\$ 37,771	\$ 6,482,513	\$ (69,727)	\$ 6,412,786
RATE OF RETURN	7.390%		7.3900%		6.4100%
RETURN ON INVESTED CAPITAL	\$ 476,266	\$ 2,791	\$ 479,058	\$ (67,998)	\$ 411,060

0000041

SOAH DOCKET NO 473-19-3864
PUC DOCKET NO. 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

Staff Schedule IIIA
Electric Plant in Service
(amounts in thousands)

		Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Staff Adjusted Total Electric (e) = (c) + (d)
Electric Plant In Service						
Intangible Plant						
Misc Intangible Plant	303	\$ -	\$ -	\$ -	\$ -	\$ -
Misc Intangible Plant AMS	303.6	\$ 294,740	\$ (39,029)	\$ 255,711	\$ -	\$ 255,711
Total Intangible Plant		\$ 294,740	\$ (39,029)	\$ 255,711	\$ -	\$ 255,711
Transmission Plant						
Land & Land Fees	350.01	\$ 49,328	\$ -	\$ 49,328	\$ (78)	\$ 49,250
Land & Land Rights	350.02	\$ 100,986	\$ -	\$ 100,986	\$ (8)	\$ 100,978
Structures and Improv	352	\$ 202,222	\$ -	\$ 202,222	\$ (6,305)	\$ 195,917
Station Equipment	353	\$ 993,651	\$ -	\$ 993,651	\$ (7,507)	\$ 986,144
Towers & Fixtures	354	\$ 844,560	\$ -	\$ 844,560	\$ (99)	\$ 844,461
Poles & Fixtures	355	\$ 124,989	\$ -	\$ 124,989	\$ (4,844)	\$ 120,145
Overhead Conductors & D	356	\$ 612,374	\$ -	\$ 612,374	\$ (4,944)	\$ 607,430
Underground Conduit	357	\$ 38,060	\$ -	\$ 38,060	\$ -	\$ 38,060
Underground Conductor	358	\$ 14,661	\$ -	\$ 14,661	\$ -	\$ 14,661
Roads and Trails	359	\$ 81,533	\$ -	\$ 81,533	\$ -	\$ 81,533
Total Transmission Plant		\$ 3,062,364	\$ -	\$ 3,062,364	\$ (23,786)	\$ 3,038,578
Distribution Plant						
Land & Land Fees	360.01	\$ 31,120	\$ -	\$ 31,120	\$ (6,992)	\$ 24,128
Land & Land Rights	360.02	\$ 2,211	\$ (1,035)	\$ 1,176	\$ -	\$ 1,176
Structure and Improve	361	\$ 105,322	\$ -	\$ 105,322	\$ (1,168)	\$ 104,154
Station Equipment	362	\$ 1,210,967	\$ -	\$ 1,210,967	\$ (3,496)	\$ 1,207,471
Poles, Towers & Fixtures	364	\$ 833,783	\$ -	\$ 833,783	\$ (4,844)	\$ 828,939
OH Conductors & Devices	365	\$ 1,006,923	\$ -	\$ 1,006,923	\$ (4,844)	\$ 1,002,079
Underground Conduit	366	\$ 588,158	\$ (51)	\$ 588,107	\$ -	\$ 588,107
UG Con & Devices	367	\$ 1,066,790	\$ (693)	\$ 1,066,097	\$ -	\$ 1,066,097
Line Transformers	368	\$ 1,376,453	\$ (339)	\$ 1,376,114	\$ -	\$ 1,376,114
Services	369	\$ 200,437	\$ -	\$ 200,437	\$ -	\$ 200,437
Meters	370.01	\$ 78,336	\$ -	\$ 78,336	\$ -	\$ 78,336
Meters	370.03	\$ 179,726	\$ (67,939)	\$ 111,787	\$ -	\$ 111,787
Street Lights	373.01	\$ 604,289	\$ -	\$ 604,289	\$ -	\$ 604,289
Security Lighting	373.01	\$ 13,209	\$ 1	\$ 13,210	\$ -	\$ 13,210
Security Lighting	374.01	\$ 1	\$ (1)	\$ -	\$ -	\$ -
ARO	374.03	\$ 18,560	\$ (18,560)	\$ -	\$ -	\$ -
Total Distribution Plant		\$ 7,316,285	\$ (88,617)	\$ 7,227,668	\$ (21,344)	\$ 7,206,324
General Plant						
Land and Land Fees	389.01	\$ 27,581	\$ -	\$ 27,581	\$ -	\$ 27,581
Land and Land Rights	389.02	\$ 154	\$ -	\$ 154	\$ -	\$ 154
Structures & Improvements	390	\$ 242,413	\$ -	\$ 242,413	\$ -	\$ 242,413
Office Furn & Equip	391	\$ 11,135	\$ -	\$ 11,135	\$ -	\$ 11,135
Transportation & Equip	392	\$ 136,383	\$ (142)	\$ 136,241	\$ -	\$ 136,241
Store Equip	393	\$ 210	\$ -	\$ 210	\$ -	\$ 210
Tools, Shop, & Garage	394	\$ 15,431	\$ (56)	\$ 15,375	\$ -	\$ 15,375
Laboratory Equip	395	\$ 22,023	\$ (819)	\$ 21,204	\$ -	\$ 21,204
Power Operated Equip	396	\$ 23,947	\$ -	\$ 23,947	\$ -	\$ 23,947
Misc Equip	398	\$ 10,865	\$ -	\$ 10,865	\$ -	\$ 10,865
ARO	399.11	\$ 3,546	\$ (3,546)	\$ -	\$ -	\$ -
Total General Plant		\$ 493,688	\$ (4,563)	\$ 489,125	\$ -	\$ 489,125
Total Communications Equipment	397	\$ 547,297	\$ (61,350)	\$ 485,947	\$ (14)	\$ 485,933
Adjustment to Remove Capitalized Incentive Compensation					\$ (2,365)	\$ (2,365)
Adjustment to Remove Capitalized Non-Qualified Pension Expense					\$ (295)	\$ (295)
Total Electric PIS		\$ 11,714,374	\$ (193,559)	\$ 11,520,815	\$ (47,803)	\$ 11,473,012

0000042

SOAH DOCKET NO. 473-19-3864
PUC DOCKET NO. 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

Staff Schedule IIIB
Invested Capital
(amounts in thousands)

		Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Staff Adjusted Total Electric (e) = (c) + (d)
Intangible Plant - Accumulated Dep						
Misc Intangible Plant - MF	303 01	\$ 89	\$ (89)	\$ -	\$ -	\$ -
Misc Intangible Plant - NMF	303 02	\$ (174,001)	\$ 41,400	\$ (132,601)	\$ -	\$ (132,601)
		\$ (173,912)	\$ 41,311	\$ (132,601)	\$ -	\$ (132,601)
Transmission Plant - Acc. Dep						
Land and Land Fees	350 01	\$ (15)	\$ 15	\$ -	\$ -	\$ -
Land and Land Rights	350 02	\$ (20,416)	\$ 1,873	\$ (18,543)	\$ -	\$ (18,543)
Structures & Improve	352	\$ (16,828)	\$ (1,964)	\$ (18,792)	\$ -	\$ (18,792)
Station and Equipment	353	\$ (173,852)	\$ 9,290	\$ (164,562)	\$ -	\$ (164,562)
Towers and Fixtures	354	\$ (205,992)	\$ (23,851)	\$ (229,843)	\$ -	\$ (229,843)
Poles and Fixtures	355	\$ (21,260)	\$ (7,070)	\$ (28,330)	\$ -	\$ (28,330)
OH Conductores & Dev	356	\$ (291,970)	\$ 22,613	\$ (269,357)	\$ -	\$ (269,357)
Underground Conduit	357	\$ (6,112)	\$ (711)	\$ (6,823)	\$ -	\$ (6,823)
Underground Conductors ar	358	\$ (2,980)	\$ (673)	\$ (3,653)	\$ -	\$ (3,653)
Roads and Trails	359	\$ (11,230)	\$ 478	\$ (10,752)	\$ -	\$ (10,752)
Total Depreciation Expense		\$ (750,655)	\$ -	\$ (750,655)	\$ -	\$ (750,655)
Distribution Plant - Acc. Dep						
Land and Land Fees	360 01	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Rights	360 02	\$ (726)	\$ 78	\$ (648)	\$ -	\$ (648)
Structures and Improvem	361	\$ (36,570)	\$ 1,099	\$ (35,471)	\$ -	\$ (35,471)
Station Equipment	362	\$ (329,073)	\$ (17,488)	\$ (346,561)	\$ -	\$ (346,561)
Storage Battery Equip	363	\$ -	\$ -	\$ -	\$ -	\$ -
Poles, Towers & Fixtures	364	\$ (319,535)	\$ (33,265)	\$ (352,800)	\$ -	\$ (352,800)
OH Conductors & Dev	365	\$ (426,982)	\$ 56,382	\$ (370,600)	\$ -	\$ (370,600)
Underground Conduits	366	\$ (212,255)	\$ (1,854)	\$ (214,109)	\$ -	\$ (214,109)
UG Conductors & Dev	367	\$ (366,775)	\$ (780)	\$ (367,555)	\$ -	\$ (367,555)
Line Transformers	368	\$ (452,100)	\$ (106,360)	\$ (558,460)	\$ -	\$ (558,460)
Services	369	\$ (121,211)	\$ 38,664	\$ (82,547)	\$ -	\$ (82,547)
Meters	370 01	\$ (67,514)	\$ 9,754	\$ (57,760)	\$ -	\$ (57,760)
Advanced Meters	370 02	\$ (41)	\$ 41	\$ -	\$ -	\$ -
Automated Meters	370 03	\$ (135,221)	\$ 108,504	\$ (26,717)	\$ -	\$ (26,717)
Street Lighting and Signal S	373 01	\$ (262,006)	\$ 28,824	\$ (233,182)	\$ -	\$ (233,182)
Security Lighting	373 02	\$ (6,333)	\$ 2,676	\$ (3,657)	\$ -	\$ (3,657)
Security Lighting	374 01	\$ 2,676	\$ (2,676)	\$ -	\$ -	\$ -
Distr Plant ARO	374 03	\$ (11,773)	\$ 11,773	\$ -	\$ -	\$ -
		\$ (2,745,439)	\$ 95,372	\$ (2,650,067)	\$ -	\$ (2,650,067)
General Plant						
Land and Land Fees	389 01	\$ -	\$ -	\$ -	\$ -	\$ -
Land and Land Rights	389 02	\$ (37)	\$ 3	\$ (34)	\$ -	\$ (34)
Structures & Improvements	390	\$ (82,537)	\$ (2,809)	\$ (85,346)	\$ -	\$ (85,346)
Office Furn & Equip	391	\$ (3,582)	\$ 417	\$ (3,165)	\$ -	\$ (3,165)
Transportation & Equip	392	\$ (44,410)	\$ (4,835)	\$ (49,245)	\$ -	\$ (49,245)
Store Equip	393	\$ 183	\$ (201)	\$ (18)	\$ -	\$ (18)
Tools, Shop & Garage	394	\$ (1,364)	\$ (813)	\$ (2,177)	\$ -	\$ (2,177)
Laboratory Equip	395	\$ (8,553)	\$ (76)	\$ (8,629)	\$ -	\$ (8,629)
Power Operated Equip	396	\$ (6,427)	\$ (1,626)	\$ (8,053)	\$ -	\$ (8,053)
Communication Equip	397 01	\$ (164,853)	\$ 75,972	\$ (88,881)	\$ -	\$ (88,881)
Computer Equip	397 02	\$ (75,403)	\$ 7,894	\$ (67,509)	\$ -	\$ (67,509)
Misc Equip	398	\$ (2,120)	\$ (341)	\$ (2,461)	\$ -	\$ (2,461)
ARO	399 11	\$ (555)	\$ 555	\$ -	\$ -	\$ -
Total General Plant		\$ (389,658)	\$ 74,140	\$ (315,518)	\$ -	\$ (315,518)
RWIP		\$ 44,828	\$ -	\$ 44,828	\$ -	\$ 44,828
Total Accumulated Depreciation		\$ (4,014,836)	\$ 210,823	\$ (3,804,013)	\$ -	\$ (3,804,013)

0000043

SOAH DOCKET NO 473-19-3864
PUC DOCKET NO. 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

Staff Schedule IV
Taxes Other Than FIT
(amounts in thousands)

	Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Staff Adjusted Total Electric (e) = (c) + (d)
TAXES OTHER THAN FIT					
Property Related Taxes					
Ad Valorem Tax	408 \$ 88,144	\$ 6,068	\$ 94,212	\$ (391)	\$ 93,821
Total Property Related	\$ 88,144	\$ 6,068	\$ 94,212	\$ (391)	\$ 93,821
Payroll Taxes					
FICA	408 \$ 11,403	\$ (108)	\$ 11,295	\$ (2,857)	\$ 8,438
FUTA	408 \$ 310	\$ -	\$ 310	\$ -	\$ 310
SUTA (TX)	408 \$ -	\$ -	\$ -	\$ -	\$ -
Payroll Tax Load	408 \$ -	\$ -	\$ -	\$ -	\$ -
Total Payroll	\$ 11,713	\$ (108)	\$ 11,605	\$ (2,857)	\$ 8,748
Other Taxes					
Sales and Use Tax	408 \$ 175	\$ (175)	\$ -	\$ -	\$ -
Total Other	\$ 175	\$ (175)	\$ -	\$ -	\$ -
Revenue Related Taxes					
Texas Gross Margins Tax	408 \$ 18,414	\$ 1,613	\$ 20,027	\$ (1,170)	\$ 18,857
Municipal Franchise Fees	408 \$ 150,772	\$ 2,009	\$ 152,781	\$ -	\$ 152,781
Deferred SUT/Local	408 \$ (327)	\$ -	\$ (327)	\$ -	\$ (327)
Total Revenue Related	\$ 168,859	\$ 3,622	\$ 172,481	\$ (1,170)	\$ 171,311
TOTAL TAXES OTHER THAN INCOME TAXES	\$ 268,891	\$ 9,407	\$ 278,298	\$ (4,417)	\$ 273,881

0000044

SOAH DOCKET NO 473-19-3864
PUC DOCKET NO 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

Staff Schedule V
Federal Income Taxes
(amounts in thousands)

FEDERAL INCOME TAXES - METHOD 1

		Test Year Total (a)	Company Adjustments To Test Year (b)	Company Requested Test Year Total Electric (c)	Staff Adjustments To Company Request (d)	Staff Adjusted Total Electric (e)
Return	Total	\$ 476,266	\$ 2,791	\$ 479,058	\$ (67,998)	\$ 411,060
Less						
Synchronized Interest Included in Return	\$	141,140	\$ 827	\$ 141,967	\$ 26,689	\$ 168,656
Amortization of Protected Excess DFIT	\$	-	\$ 18,659	\$ 18,659	\$ -	\$ 18,659
Amortization of Unprotected Excess DFIT	\$	8,845	\$ (8,845)	\$ -	\$ -	\$ -
Research and Development Credit	\$	2,854	\$ (1,586)	\$ 1,268	\$ -	\$ 1,268
Medicare Drug Subsidy	\$	1,624	\$ (1,624)	\$ -	\$ -	\$ -
AFUDC Equity	\$	10,406	\$ (10,406)	\$ -	\$ -	\$ -
Restricted Stock Excess Tax Benefit	\$	56	\$ -	\$ 56	\$ -	\$ 56
Plus						
Non-deductible Clubs Dues	\$	9	\$ (9)	\$ -	\$ -	\$ -
Non-deductible Parking and Transit	\$	114	\$ -	\$ 114	\$ -	\$ 114
Non-deductible Lobbying Expenses	\$	2,616	\$ (2,616)	\$ -	\$ -	\$ -
Meals and Entertainment	\$	579	\$ -	\$ 579	\$ -	\$ 579
Fines and Penalties	\$	40	\$ (40)	\$ -	\$ -	\$ -
Diesel Fuel Credit Disallowance	\$	3	\$ -	\$ 3	\$ -	\$ 3
Permanent Depreciation Difference	\$	4,728	\$ (364)	\$ 4,364	\$ -	\$ 4,364
Medicare Drug Subsidy	\$	-	\$ 8,744	\$ 8,744	\$ -	\$ 8,744
						\$ -
TAXABLE COMPONENT OF RETURN	\$	319,430	\$ 11,481	\$ 330,912	\$ (94,687)	\$ 236,224
TAX FACTOR (1/1- 21X 21)		0.26582278	0.26582278	0.26582278	0.26582278	0.26582278
TOTAL FIT BEFORE ADJUSTMENTS		84,912	3,052	87,964	(25,170)	62,794
Adjustments						
Amortization of Protected Excess DFIT	\$	-	\$ (18,659)	\$ (18,659)	\$ -	\$ (18,659)
Amortization of Non-protected Excess DFIT	\$	(8,845)	\$ 8,845	\$ -	\$ -	\$ -
Research and Development Credit	\$	(2,854)	\$ 1,586	\$ (1,268)	\$ -	\$ (1,268)
Medicare Drug Subsidy	\$	(1,624)	\$ 10,368	\$ 8,744	\$ -	\$ 8,744
Restricted Stock Excess Tax Benefit	\$	(56)	\$ -	\$ (56)	\$ -	\$ (56)
TOTAL FEDERAL INCOME TAXES	\$	71,533	\$ 5,192	\$ 76,725	\$ (25,170)	\$ 51,555

0000045

SOAH DOCKET NO 473-19-3864
PUC DOCKET NO. 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

STAFF'S DEPRECIATION EXPENSE WORKSHEET
(amounts in thousands)

FERC Account Number	Description	Depreciation Expense			
		Requested Test Year		Adjusted Depreciation & Amortization @	
		Per Book @ 12/31/2018	Adjustment	12/31/2018	
INTANGIBLES					
303 01	Miscellaneous Intangible Plant	\$ -	\$ -	\$ -	\$ -
303 02	Miscellaneous Intangible Plant-AMS	\$ 42,281	\$ (12,631)	\$ 29,650	\$ 29,650
	Total Intangibles	\$ 42,281	\$ (12,631)	\$ 29,650	\$ 29,650
TRANSMISSION					
350 01	Land and Land Fees	\$ -	\$ -	\$ -	\$ -
350 02	Land and Land Rights	\$ 1,301	\$ (10)	\$ 1,291	\$ 1,291
352	Structures & Improvements	\$ 3,021	\$ 182	\$ 3,203	\$ 3,093
353	Station Equipment	\$ 20,540	\$ (1,590)	\$ 18,950	\$ 18,796
354	Towers & Fictures	\$ 14,507	\$ 2,196	\$ 16,703	\$ 16,701
355	Poles & Fictures	\$ 4,148	\$ (1,100)	\$ 3,048	\$ 2,928
356	Overhead Conductor & Device	\$ 20,064	\$ (796)	\$ 19,268	\$ 19,109
357	Underground Conduits	\$ 624	\$ 34	\$ 658	\$ 658
358	Underground Conductor	\$ 361	\$ (15)	\$ 346	\$ 346
359	Roads & Trails	\$ 1,296	\$ 155	\$ 1,451	\$ 1,451
	Total Transmission	\$ 65,862	\$ (944)	\$ 64,918	\$ 64,374
DISTRIBUTION					
360 01	Land and Land Fees	\$ -	\$ -	\$ -	\$ -
360 02	Land & Land Rights	\$ 32	\$ (13)	\$ 19	\$ 19
361	Structures & Improvements	\$ 1,594	\$ 63	\$ 1,657	\$ 1,637
362	Station Equipment	\$ 21,573	\$ 3,633	\$ 25,206	\$ 25,131
364	Poles, Towers & Fictures	\$ 23,183	\$ 1,668	\$ 24,851	\$ 24,665
365	OH Conductor & Device	\$ 26,954	\$ 5,035	\$ 31,989	\$ 31,832
366	Underground Conduits	\$ 14,698	\$ (3,363)	\$ 11,335	\$ 11,335
367	UG Conductor & Device	\$ 33,719	\$ 606	\$ 34,325	\$ 34,325
368	Line Transformer	\$ 41,452	\$ 8,732	\$ 50,184	\$ 50,184
369	Services	\$ 7,303	\$ 1,583	\$ 8,886	\$ 8,886
370 01	Meters	\$ 3,595	\$ (1,050)	\$ 2,545	\$ 2,545
370 03	Automated Meters	\$ 25,431	\$ (27,701)	\$ (2,270)	\$ (2,270)
371	Installation on Customer Premises	\$ -	\$ -	\$ -	\$ -
373 01	Street Lighting and Signal Systems	\$ 20,214	\$ (2,223)	\$ 17,991	\$ 17,991
373 02	Security Lighting	\$ 455	\$ 1	\$ 456	\$ 456
374	Security Lighting	\$ 1	\$ (1)	\$ -	\$ -
	Total Distribution	\$ 220,204	\$ (13,030)	\$ 207,174	\$ 206,737
GENERAL					
388 01	Land and Land Fees	\$ -	\$ -	\$ -	\$ -
389 02	Land and Land Rights	\$ 3	\$ -	\$ 3	\$ 3
390	Structures & Improvements	\$ 5,271	\$ (970)	\$ 4,301	\$ 4,301
391	Office Furniture & Equipment	\$ 483	\$ (95)	\$ 388	\$ 388
392	Transportation Equipment	\$ -	\$ -	\$ -	\$ -
393	Stores Equipment	\$ 16	\$ (1)	\$ 15	\$ 15
394	Tools, Shop, & Garage Equipment	\$ 779	\$ (49)	\$ 730	\$ 730
395	Laboratory Equipment	\$ 878	\$ (82)	\$ 816	\$ 816
396	Power Operated Equipment	\$ -	\$ -	\$ -	\$ -
397 01	Communication Equipment	\$ 19,570	\$ (4,540)	\$ 15,030	\$ 15,029
397 02	Communication Equipment	\$ 19,106	\$ (983)	\$ 18,123	\$ 18,123
398	Miscellaneous Equipment	\$ 508	\$ (26)	\$ 482	\$ 482
399	Other Intangible Property -Depreciable	\$ -	\$ -	\$ -	\$ -
399 1	Other Intangible Property -Depreciable-ARO	\$ -	\$ -	\$ -	\$ -
	Total General	\$ 40,614	\$ (6,726)	\$ 39,888	\$ 39,887
TOTAL DEPRECIATION & AMORTIZATION EXPEN					
		\$ 374,961	\$ (33,331)	\$ 341,630	\$ 340,648
Misc. Other Expenses From Schedule II-E-4					
		\$ 3,887	\$ (3,440)	\$ 447	\$ 447
Amortization from Schedule II-E-4					
		\$ 23	\$ 9,130	\$ 9,153	\$ 1,566
Depreciation on Adjustment for Capitalized Incentive Compensation					
				\$ (74)	\$ (74)
Depreciation on Adjustment for Capitalized Non-Qualified Pension Expense					
				\$ (9)	\$ (9)
TOTAL DEPRECIATION & AMORTIZATION EXPEN					
		\$ 378,871	\$ (27,641)	\$ 351,230	\$ 342,578

Public Utility Commission of Texas
Docket No 49421 - CenterPoint Energy Houston Electric, LLC
Test Year End 12/31/18
STAFF'S OPERATIONS AND MAINTENANCE EXPENSE WORKSHEET

	Vectren Reduction in Force	Vegetation Management	Long-Term Financially-Based Incentive Compensation	Short-Term Financially-Based Incentive Compensation	Short-Term Other Incentive Compensation	Non Qualified Pension	Carrying Charges on Shared Assets	Injures and Damages	Total	
560	\$ (66)			\$ (696)	\$ (73)		\$ (571)		\$ (1,406)	560
561 1				\$ (8)	\$ (1)				\$ (9)	561 1
561 2				\$ (320)	\$ (34)				\$ (354)	561 2
561 3				\$ (30)	\$ (3)				\$ (33)	561 3
561 4				\$ (79)	\$ (8)				\$ (88)	561 4
561 5	\$ (4)			\$ (114)	\$ (12)				\$ (130)	561 5
561 7	\$ (1)			\$ (43)	\$ (4)				\$ (48)	561 7
562				\$ (103)	\$ (11)		\$ (0)		\$ (114)	562
563	\$ (21)			\$ (140)	\$ (15)		\$ (0)		\$ (176)	563
564				\$ (55)	\$ (6)		\$ (0)		\$ (61)	564
565									\$ -	565
566	\$ (44)			\$ (269)	\$ (28)				\$ (340)	566
567									\$ -	567
569	\$ (4)			\$ (108)	\$ (11)				\$ (123)	569
570	\$ (9)			\$ (377)	\$ (40)		\$ (0)		\$ (426)	570
571	\$ (49)			\$ (307)	\$ (32)		\$ (0)		\$ (389)	571
572				\$ (55)	\$ (6)		\$ (0)		\$ (61)	572
573				\$ (19)	\$ (2)				\$ (21)	573
580	\$ (190)			\$ (2,528)	\$ (265)		\$ (2,118)		\$ (5,101)	580
581	\$ (4)			\$ (235)	\$ (25)				\$ (264)	581
582	\$ (5)			\$ (256)	\$ (27)		\$ (0)		\$ (288)	582
583	\$ (68)			\$ (615)	\$ (64)		\$ (0)		\$ (748)	583
584	\$ (136)			\$ (775)	\$ (81)		\$ (0)		\$ (992)	584
585				\$ (122)	\$ (13)		\$ (0)		\$ (135)	585
586	\$ (54)			\$ (865)	\$ (91)		\$ (0)		\$ (1,010)	586
587				\$ (258)	\$ (27)		\$ (0)		\$ (285)	587
588	\$ (62)			\$ (703)	\$ (74)				\$ (839)	588
589									\$ -	589
590	\$ (34)			\$ (485)	\$ (51)				\$ (570)	590
591	\$ (3)			\$ (41)	\$ (4)				\$ (48)	591
592	\$ (23)			\$ (495)	\$ (52)				\$ (569)	592
593	\$ (198)	\$ (3,380)		\$ (1,109)	\$ (116)		\$ (0)		\$ (4,803)	593
594	\$ (50)			\$ (426)	\$ (45)				\$ (520)	594
595									\$ -	595
596				\$ (79)	\$ (8)				\$ (87)	596
597				\$ (55)	\$ (6)		\$ (0)		\$ (61)	597
598				\$ (1)	\$ (0)				\$ (1)	598
902				\$ (28)	\$ (3)		\$ (30)		\$ (61)	902
903	\$ (127)			\$ (1,222)	\$ (128)		\$ (372)		\$ (1,849)	903
904									\$ -	904
907				\$ (3)	\$ (0)				\$ (3)	907
908				\$ (297)	\$ (31)				\$ (328)	908
909				\$ (265)	\$ (28)				\$ (293)	909
910									\$ -	910
920	\$ (103)		\$ (1,796)	\$ (91)	\$ (9)				\$ (1,999)	920
921				\$ (30)	\$ (3)				\$ (33)	921
923									\$ -	923
924									\$ -	924
925	\$ (138)			\$ (344)	\$ (36)			\$ (2,294)	\$ (2,812)	925
926	\$ (93)					\$ (304)			\$ (397)	926
928									\$ -	928
930 1									\$ -	930 1
930 2	\$ (50)		\$ (9,454)	\$ (7,560)	\$ (792)	\$ (1,479)	\$ (1,850)		\$ (21,185)	930 2
931				\$ (576)	\$ (60)				\$ (636)	931
935				\$ (31)	\$ (3)		\$ (0)		\$ (35)	935
408	\$ (118)								\$ (118)	408
99									\$ -	426 99
	\$ (1,652)	\$ (3,380)	\$ (11,250)	\$ (22,220)	\$ (2,327)	\$ (1,783)	\$ (4,942)	\$ (2,294)	\$ -	\$ (49,848)

0000047

SOAH DOCKET NO 473-19-3864
PUC DOCKET NO 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

STAFF'S INCENTIVE COMPENSATION WORKSHEET
(amounts in thousands)

Long-Term Incentive Compensation

Source	Financially Based	FERC Account	Amount
Direct Company		920	\$ 1,795,944
Affiliates		930 2	\$ 9,454,090

Non-Financially Based

[None, all long-term incentive compensation is financially based]

Staff Adjustments (amounts in thousands)

FERC Account	Remove All Fin-Based	Remove Half Other I C
920	\$ (1,796)	\$ -
930 2	\$ (9,454)	\$ -

Short-Term Incentive Compensation

Direct Company	Percentage Financially Based	Source
	82 68%	
	Percentage Non-Financial	17 32%

Staff Adjustments (amounts in thousands)

Source	FERC Account	Total Amount	Amount Financially Based	Amount Non-Financial	Total
560	\$	522,392	\$	431,914	\$ 522,392
561 1	\$	10,194	\$	8,428	\$ 10,194
561 2	\$	387,051	\$	320,014	\$ 387,051
561 3	\$	36,398	\$	30,094	\$ 36,398
561 4	\$	95,828	\$	79,231	\$ 95,828
561 5	\$	138,288	\$	114,337	\$ 138,288
561 7	\$	51,444	\$	42,534	\$ 51,444
562	\$	119,879	\$	99,116	\$ 119,879
563	\$	164,429	\$	135,950	\$ 164,429
564	\$	61,817	\$	51,110	\$ 61,817
566	\$	324,749	\$	268,502	\$ 324,749
569	\$	130,547	\$	107,936	\$ 130,547
570	\$	451,314	\$	373,146	\$ 451,314
571	\$	361,532	\$	298,915	\$ 361,532
572	\$	61,817	\$	51,110	\$ 61,817
573	\$	23,425	\$	19,368	\$ 23,425
580	\$	1,683,147	\$	1,391,626	\$ 1,683,147
581	\$	284,766	\$	235,445	\$ 284,766
582	\$	304,899	\$	252,090	\$ 304,899
583	\$	734,429	\$	607,226	\$ 734,429
584	\$	926,764	\$	766,248	\$ 926,764
585	\$	137,622	\$	113,786	\$ 137,622
586	\$	1,039,501	\$	859,459	\$ 1,039,501
587	\$	307,006	\$	253,833	\$ 307,006
588	\$	850,223	\$	702,964	\$ 850,223
590	\$	586,326	\$	484,774	\$ 586,326
591	\$	49,514	\$	40,938	\$ 49,514
592	\$	598,550	\$	494,881	\$ 598,550
593	\$	1,323,955	\$	1,094,646	\$ 1,323,955
594	\$	514,952	\$	425,762	\$ 514,952
596	\$	95,484	\$	78,946	\$ 95,484

FERC Account	Remove All Fin-Based	Remove Half Other I C
560	\$ (432)	\$ (45)
561 1	\$ (8)	\$ (1)
561 2	\$ (320)	\$ (34)
561 3	\$ (30)	\$ (3)
561 4	\$ (79)	\$ (8)
561 5	\$ (114)	\$ (12)
561 7	\$ (43)	\$ (4)
562	\$ (99)	\$ (10)
563	\$ (136)	\$ (14)
564	\$ (51)	\$ (5)
566	\$ (269)	\$ (28)
569	\$ (108)	\$ (11)
570	\$ (373)	\$ (39)
571	\$ (299)	\$ (31)
572	\$ (51)	\$ (5)
573	\$ (19)	\$ (2)
580	\$ (1,392)	\$ (146)
581	\$ (235)	\$ (25)
582	\$ (252)	\$ (26)
583	\$ (607)	\$ (64)
584	\$ (766)	\$ (80)
585	\$ (114)	\$ (12)
586	\$ (859)	\$ (90)
587	\$ (254)	\$ (27)
588	\$ (703)	\$ (74)
590	\$ (485)	\$ (51)
591	\$ (41)	\$ (4)
592	\$ (495)	\$ (52)
593	\$ (1,095)	\$ (115)
594	\$ (426)	\$ (45)
596	\$ (79)	\$ (8)

597	\$	61,817	\$	51,110	\$	10,707	\$	61,817
598	\$	1,253	\$	1,036	\$	217	\$	1,253
902	\$	23,081	\$	19,083	\$	3,998	\$	23,081
903	\$	673,523	\$	556,869	\$	116,654	\$	673,523
907	\$	3,049	\$	2,521	\$	528	\$	3,049
908	\$	358,406	\$	296,330	\$	62,076	\$	358,406
909	\$	11,464	\$	9,478	\$	1,986	\$	11,464
920	\$	109,564	\$	90,588	\$	18,976	\$	109,564
925	\$	159,293	\$	131,703	\$	27,590	\$	159,293
930 2	\$	2,310,181	\$	1,910,058	\$	400,123	\$	2,310,181
930 2 (True-up)	\$	1,210,875	\$	1,001,151	\$	209,724	\$	1,210,875
Total	\$	17,300,748	\$	14,304,258	\$	2,996,490	\$	17,300,748
				14,304,258		2,996,490		17,300,748

597	\$	(51)	\$	(5)
598	\$	(1)	\$	(0)
902	\$	(19)	\$	(2)
903	\$	(557)	\$	(58)
907	\$	(3)	\$	(0)
908	\$	(296)	\$	(31)
909	\$	(9)	\$	(1)
920	\$	(91)	\$	(9)
925	\$	(132)	\$	(14)
930 2	\$	(1,910)	\$	(200)
930 2 (True-up)	\$	(1,001)	\$	(105)
Total	\$	(14,304)	\$	(1,498)

Affiliates	Percentage Financially Based	82.68%	Source
	Percentage Non-Financial	17.32%	

Staff Adjustments (amounts in thousands)

Source	FERC Account	Total Amount	Amount Financially Based	Amount Non-Financial	Total			
	1070	\$ 1,578,220	\$ 1,304,873	\$ 273,348	\$ 1,578,220			
	1810	\$ 128,899	\$ 106,574	\$ 22,325	\$ 128,899			
	1823	\$ 133,546	\$ 110,416	\$ 23,130	\$ 133,546			
	4261	\$ 124,620	\$ 103,036	\$ 21,584	\$ 124,620			
	4264	\$ 583,751	\$ 482,645	\$ 101,106	\$ 583,751			
	4265	\$ 39,764	\$ 32,877	\$ 6,887	\$ 39,764			
	5600	\$ 319,653	\$ 264,289	\$ 55,364	\$ 319,653			
	5620	\$ 4,994	\$ 4,129	\$ 865	\$ 4,994			
	5630	\$ 4,994	\$ 4,129	\$ 865	\$ 4,994			
	5640	\$ 4,994	\$ 4,129	\$ 865	\$ 4,994			
	5700	\$ 4,994	\$ 4,129	\$ 865	\$ 4,994			
	5710	\$ 9,989	\$ 8,259	\$ 1,730	\$ 9,989			
	5720	\$ 4,994	\$ 4,129	\$ 865	\$ 4,994			
	5800	\$ 1,374,591	\$ 1,136,512	\$ 238,079	\$ 1,374,591			
	5820	\$ 4,994	\$ 4,129	\$ 865	\$ 4,994			
	5830	\$ 9,989	\$ 8,259	\$ 1,730	\$ 9,989			
	5840	\$ 9,989	\$ 8,259	\$ 1,730	\$ 9,989			
	5850	\$ 9,989	\$ 8,259	\$ 1,730	\$ 9,989			
	5860	\$ 6,983	\$ 5,773	\$ 1,209	\$ 6,983			
	5870	\$ 4,994	\$ 4,129	\$ 865	\$ 4,994			
	5930	\$ 17,211	\$ 14,230	\$ 2,981	\$ 17,211			
	5970	\$ 4,994	\$ 4,129	\$ 865	\$ 4,994			
	9020	\$ 10,843	\$ 8,965	\$ 1,878	\$ 10,843			
	9030	\$ 804,432	\$ 665,104	\$ 139,328	\$ 804,432			
	9080	\$ 737	\$ 610	\$ 128	\$ 737			
	9090	\$ 309,596	\$ 255,974	\$ 53,622	\$ 309,596			
	9210	\$ 36,093	\$ 29,842	\$ 6,251	\$ 36,093			
	9250	\$ 256,754	\$ 212,284	\$ 44,470	\$ 256,754			
	9302	\$ 5,623,083	\$ 4,649,165	\$ 973,918	\$ 5,623,083			
	9310	\$ 696,152	\$ 575,578	\$ 120,574	\$ 696,152			
	9350	\$ 37,342	\$ 30,874	\$ 6,468	\$ 37,342			
Total	\$	12,162,182	\$	10,055,692	\$	2,106,490	\$	12,162,182

<u>FERC Account</u>	<u>Remove All Fin-Based</u>	<u>Remove Half Other I C</u>
1070	\$ (1,305)	\$ (137)
1810	\$ (107)	\$ (11)
1823	\$ (110)	\$ (12)
4261	\$ (103)	\$ (11)
4264	\$ (483)	\$ (51)
4265	\$ (33)	\$ (3)
5600	\$ (264)	\$ (28)
5620	\$ (4)	\$ (0)
5630	\$ (4)	\$ (0)
5640	\$ (4)	\$ (0)
5700	\$ (4)	\$ (0)
5710	\$ (8)	\$ (1)
5720	\$ (4)	\$ (0)
5800	\$ (1,137)	\$ (119)
5820	\$ (4)	\$ (0)
5830	\$ (8)	\$ (1)
5840	\$ (8)	\$ (1)
5850	\$ (8)	\$ (1)
5860	\$ (6)	\$ (1)
5870	\$ (4)	\$ (0)
5930	\$ (14)	\$ (1)
5970	\$ (4)	\$ (0)
9020	\$ (9)	\$ (1)
9030	\$ (665)	\$ (70)
9080	\$ (1)	\$ (0)
9090	\$ (256)	\$ (27)
9210	\$ (30)	\$ (3)
9250	\$ (212)	\$ (22)
9302	\$ (4,649)	\$ (487)
9310	\$ (576)	\$ (60)
9350	\$ (31)	\$ (3)
Total	\$ (10,056)	\$ (1,053)

SOAH DOCKET NO.	473-19-3864
PUC DOCKET NO.	49421
COMPANY NAME	CenterPoint Energy Houston Electric
TEST YEAR END	31-Dec-18

STAFF'S INJURIES AND DAMAGES WORKSHEET

FERC Form 1 for the Year: Amount in FERC Account No. 925 (Injuries and Damages)

2018	22,844,718
2017	16,950,989
2016	12,088,202
2015	20,736,430
2014	18,549,983
2013	15,322,881
2012	7,502,018
2011	6,803,926
2010	4,889,210
2009	7,289,974

5-Year Average (2014-2018)	18,234,064
----------------------------	------------

Amount Requested in Rates	20,528,000
---------------------------	------------

Difference	\$	(2,293,936)
------------	----	-------------

Adjustment (amount in thousands)	\$	(2,294)
----------------------------------	----	---------

SOAH DOCKET NO 473-19-3864
PUC DOCKET NO 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

STAFF'S REGULATORY ASSETS AND LIABILITIES WORKSHEET

Schedule Format based on Company request (WP II-E-4 1 1)

FERC Account	Description	Authorizing Docket	Original Amount to Deferred Period	Amortization Date	Amortization Began	Total Amortization (Beg. Year)	Amortization Expense (TY)	Amortization Expense	
4074	Non-standard metering service (1)	Docket No 41906	\$ 89,631	2012	N/A	August 2014	\$ 54,611	\$ 22,538	\$ -
4074	Expedited Switches (2)	Docket No 38339	\$ 1,159,104	2010-2014	3 As approved in this docket	\$ -	\$ -	\$ -	\$ 386,368
4074	Hurricane Harvey (3)	Request in this docket	\$ 64,406,143	2017	3 As approved in this docket	\$ -	\$ -	\$ -	\$ 21,468,714
4074	Ike Residual (3)	Request in this docket	\$ (4,030,874)	2017	3 As approved in this docket	\$ -	\$ -	\$ -	\$ (1,343,625)
4073	Pension PURA 36 065 Deferral (4)	Docket No 38339	\$ (60,642,126)	2011-2018	3 As approved in this docket	\$ -	\$ -	\$ -	\$ (20,214,042)
4073	Smart Meter Texas (5)	Docket No 47364	\$ 6,939,132	3/2017-12/2018	3 As approved in this docket	\$ -	\$ -	\$ -	\$ 2,313,044
4074	Texas Margin Tax (6)	Docket No 38339	\$ 19,627,578	2018	3 As approved in this docket	\$ -	\$ -	\$ -	\$ 6,542,526
Total Amortization Expense - Accounts 404 407 & 408			\$ 27,548,588			\$ 54,611	\$ 22,538	\$ -	\$ 9,152,988
9040	Defaulted REPs (16 TAC \$25 107, Bad Debt Expense) (7) Project No 35767		\$ 1,569,545	2011-2018	3 As approved in this docket	\$ -	\$ -	\$ -	\$ 523,182
Total Regulatory Asset Amortization included in Operating Expense			\$ 1,569,545			\$ -	\$ -	\$ -	\$ 523,182
9280	2010 rate case expenses (8)	Docket No 38339 After 3 rd	\$ 2,836,066	2010-2017		\$ -	\$ -	\$ -	\$ -
9280	2017 AMS reconciliation filing expenses (9)	Docket No 47364	\$ 186,825	2017-2018		\$ -	\$ -	\$ -	\$ -
9280	2016 DCRF filing expenses (10)	Docket No 45747	\$ 374,800	2016		\$ -	\$ -	\$ -	\$ -
9280	2017 DCRF filing expenses (10)	Docket No 47032	\$ 305,800	2017		\$ -	\$ -	\$ -	\$ -
9280	2018 DCRF filing expenses (10)	Docket No 48226	\$ 266,527	2018		\$ -	\$ -	\$ -	\$ -
9280	2016 EECRF filing expenses (11)	Docket No 47232	\$ 73,821	2016	1 January 2018	\$ -	\$ 73,821	\$ -	\$ -
Total Rate Case Expense Amortization included in Operating Expense			\$ 4,043,929			\$ -	\$ 73,821	\$ -	\$ -

Staff Recommendation

FERC Account	Description	Authorizing Docket	OriginalAmount to DeferredPeriod	AmortizationDate	Amortization Began	Total Amortization (Beg. Year)	Amortization Expense (TY)	Amortization Expense	
4074	Non-standard metering service (1)	Docket No 41906	\$ 89,631	2012	N/A	August 2014	\$ 54,611	\$ 22,538	\$ -
4074	Expedited Switches (2)	Docket No 38339	\$ 1,159,104	2010-2014	5 As approved in this docket	\$ -	\$ -	\$ -	231,821
4074	Hurricane Harvey (3)	Request in this docket	\$ 64,406,143	2017	5 As approved in this docket	\$ -	\$ -	\$ -	12,861,229
4074	Ike Residual (3)	Request in this docket	\$ (4,030,874)	2017	5 As approved in this docket	\$ -	\$ -	\$ -	(806,175)
4073	Pension PURA 36 065 Deferral (4)	Docket No 38339	\$ (60,642,126)	2011-2018	5 As approved in this docket	\$ -	\$ -	\$ -	(12,128,425)
4073	Smart Meter Texas (5)	Docket No 47364	\$ 6,939,132	3/2017-12/2018	5 As approved in this docket	\$ -	\$ -	\$ -	1,387,826
4074	Texas Margin Tax (6)	Docket No 38339	\$ 19,627,578	2018	5 As approved in this docket	\$ -	\$ -	\$ -	3,925,516
Total Amortization Expense - Accounts 404 407 & 408			\$ 27,548,588			\$ 54,611	\$ 22,538	\$ -	5,491,791

Staff Adjustment

Staff Adjustment to Remove TX Margin Tax Reg Asset	\$	(6,542,526)
Staff Adjustment for Amortization at 5 Years	\$	(1,044,184)
Total Staff Adjustment to Annual Amortization	\$	(7,586,710)

Check (Calculated in Reverse Order)

Staff Adjustment for Amortization at 5 Years	\$	(3,861,194)
Staff Adjustment to Remove TX Margin Tax Reg Asset	\$	(3,925,516)
Total Staff Adjustment to Annual Amortization	\$	(7,586,710)

SOAH DOCKET NO. 473-19-3864
PUC DOCKET NO. 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

STAFF'S AD VALOREM TAX WORKSHEET

Staff's Invested Capital Adjustment

Staff's Total Adjustment to Plant in Service \$ (47,802,896)

Composite Ad Valorem Tax Rate

Test Year Plant in Service (per WP-II-E-2.1)	\$ 10,803,501,155
Test Year Ad Valorem Tax	\$ 88,383,899
Company Effective Rate	0.818104%

Staff's Recommended Adjustment to Ad Valorem Tax Expense \$ (391,078)

SOAH DOCKET NO. 473-19-3864
PUC DOCKET NO. 49421
COMPANY NAME CenterPoint Energy Houston Electric
TEST YEAR END 31-Dec-18

STAFF'S TEXAS MARGINS TAX WORKSHEET

Company Method: Cost of Goods Sold

Staff Adjustment to Revenue Requirement	\$	(155,967,422)
---	----	---------------

Margin Tax Rate		0.75%
-----------------	--	-------

Staff Adjustment to Margin Tax	\$	(1,169,756)
--------------------------------	----	-------------

SOAH DOCKET NO.
PUC DOCKET NO.
COMPANY NAME
TEST YEAR END

473-19-3864
49421
CenterPoint Energy Houston Electric
31-Dec-18

STAFF'S CASH WORKING CAPITAL WORKSHEET

(Model based on WP II-B-9)

Description	Adjusted Test year amount	Staff Adjustments	Staff Adjusted Total	Average Daily Amount	Revenue Lag	Ref	Expense Lag	Ref	Net Lead (Lag) Days	Working Capital Requirement	Total Company (\$000's)
Operation and Maintenance Expenses	\$ 1,162,984,922	(49,729,591)	1,113,255,331	\$ 3,050,015							
Less Amortization of Prepayments	\$ 19,929,964		19,929,964	\$ 54,603	0.00	A	0.00	B	0.00	\$ -	\$ -
Less Revenue Transmission of Others	-		-	\$ -	0.00		0.00		0.00	-	\$ -
Less Long-Term Incentive Compensation	1,795,944		1,795,944	\$ 4,920	0.00						
Less Transportation Depreciation	9,837,736		9,837,736	26,953	0.00						
Net Operations and Maintenance Expenses	\$ 1,131,421,278	\$ (49,729,591)	1,081,691,687	\$ 2,963,539	53.12	A	(41.86)	B	11.25	\$ 33,339,812	\$ 33,340
Federal Income Taxes											
Current Income Taxes	\$ 65,354,685	(25,170,067)	40,184,618	\$ 110,095	53.12	A	(48.75)	C	4.37	\$ 481,114	\$ 481
Deferred Income Taxes	11,369,878		11,369,878	31,150	0.00		0.00		-	-	\$ -
Total Federal Income Taxes	76,724,563		76,724,563	\$ 141,245						\$ 481,114	\$ 481
Taxes Other Than Income Taxes											
Payroll Taxes	\$ 11,604,825	(2,856,581)	8,748,244	\$ 23,968	53.12	A	(12.96)	D	40.16	\$ 962,546	\$ 963
State Franchise Taxes	19,699,865	(1,169,756)	18,530,109	50,767	53.12	A	46.71	E	99.82	\$ 5,067,604	\$ 5,068
Local Franchise Taxes	152,781,291	-	152,781,291	418,579	53.12	A	8.64	F	61.75	\$ 25,847,246	\$ 25,847
Ad Valorem Tax	94,211,744	(391,078)	93,820,666	257,043	53.12	A	(213.58)	G	(160.46)	\$ (41,245,107)	\$ (41,245)
Total TOTI	278,297,724		278,297,724							\$ (9,367,711)	\$ (9,368)
Depreciation Expense	\$ 351,227,053			\$ 962,266	0.00		0.00		0.00	\$ -	\$ -
Return	\$ 479,057,426			\$ 1,312,486	0.00		0.00		-	\$ -	\$ -
Subtotal	\$ 2,348,291,689									\$ 24,453,215	\$ 24,453
Average Daily Bank Balances								H		\$ 3,758,026	\$ 3,758
Working Funds and Other								I		(4,344,321)	\$ (4,344)
Total	\$ (2,348,291,689)								*	\$ 23,866,921	\$ 23,867

Expense Lead (Lag) days are derived from the Lead Lag Study for 12 month period ending September 30, 2018.

Company Total from WP II-B-9 26,163,316

Staff's Adjustment (2,296,395)

Mark Filarowicz, CPA
Public Utility Commission of Texas
List of Previous Testimony

Docket No. 47588

Review of the Rate Case Expenses Incurred in Docket No. 47527

Testimony in Support of Stipulation filed May 23, 2018

Docket No. 49057

Application of Entergy Texas, Inc. for Approval of a Transmission Cost Recovery Factor

Testimony on Accounting Position and TCRF Revenue Requirement Model filed March 25, 2018

Docket No. 48371

Entergy Texas Inc.'s Statement of Intent and Application for Authority to Change Rates

Testimony on Rate of Return filed August 8, 2018

Docket No. 48325

Application of Oncor Electric Delivery Company LLC for Authority to Decrease Rates

Testimony on Accounting Position and Effects of the Tax Cuts and Jobs Act of 2017 filed August 8, 2018

Testimony in Support of Stipulation filed September 11, 2018

Errata filed September 13, 2018

Docket No. 47527

Application of Southwestern Public Service Company for Authority to Change Rates

Testimony on Rate of Return filed May 2, 2018

Docket No. 46328

Review of Rate Case Expenses Incurred by Southwestern Public Service Company and Municipalities in Docket No. 45524

Testimony on Rate-Case Expenses and in Support of Stipulation filed November 30, 2017

Docket No. 46831

Application of El Paso Electric Company to Change Rates

Testimony on Rate of Return filed June 30, 2017

Docket No. 47032

Application of CenterPoint Houston Electric, LLC for Approval to Amend Its Distribution Cost Recovery Factor

Testimony on Accounting Position, DCRF Revenue Requirement, and Rate-Case Expenses filed June 7, 2017

Docket No. 45524

Application of Southwestern Public Service Company for Authority to Change Rates

Testimony on Accounting Position and Cost of Service filed August 23, 2016

Testimony in Support of Stipulation filed December 8, 2016

Docket No. 45475

Review of Rate Case Expenses Incurred by El Paso Electric Company and Municipalities in

Docket No. 44941

Testimony on Rate-Case Expenses and in Support of Stipulation filed July 21, 2016

Docket No. 44941

Application of El Paso Electric Company to Change Rates

Testimony on Rate-Case Expenses and in Support of Stipulation filed July 21, 2016

Docket No. 45084

Application of Entergy Texas, Inc. for Approval of a Transmission Cost Recovery Factor

Testimony on Accounting Position and TCRF Revenue Requirement filed November 24, 2015

Errata filed December 10, 2015

Docket No. 45083

Application of Entergy Texas, Inc. for Approval to Amend Its Distribution Cost Recovery Factor

Testimony on Accounting Position and DCRF Revenue Requirement filed October 23, 2015

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

RECEIVED
2019 MAY -8 PM 2:21

FILED
PUC

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

May 8, 2019

Contact: Denise Hardcastle
CenterPoint Energy Houston Electric, LLC
1111 Louisiana Street
Houston, Texas 77002
Tel No: (713) 207-5767
Fax: (713) 207-9840
Denise.Hardcastle@CenterPointEnergy.com

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CenterPoint Energy Houston Electric, LLC's Response to Public Utility Commission of Texas Third Requests for Information	2-103
Certificate of Service	104

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC03-01**

QUESTION:

Payroll

Please identify—by FERC account, by incentive plan type (short-term, long-term, etc.), and by entity (CenterPoint, specific affiliate, etc.)—all amounts included in rates in CenterPoint's request relating to financially-based incentive compensation. For the purposes of answering this RFI, consider incentive compensation to be financially-based if the incentive compensation's payment or amount of payment is based, in whole or in part, on the achievement of any financial metric, including any balance sheet metric, income sheet metric, blended metric, or other financial amount. For the purpose of answering this RFI, any incentive compensation which involves both financial and operational metrics shall be considered to be financially-based incentive compensation.

ANSWER:

Please see Schedule II-D-3.6.1a for the short-term incentive amounts by metrics for both direct and affiliate. The amounts for CEHE direct by FERC account can be found on PUC03-01 Attachment 1. The amounts charged by affiliate can be found on WP V-K-6.1 lines 129-153.

Please see the response to TIEC01-09 for the long-term incentive amounts for both direct and affiliate. Long-term incentive goals are all financially-based and are recorded in FERC account 9200 for direct and 9302 for affiliate.

SPONSOR (PREPARER):

Kristie Colvin / Michelle Townsend (Kristie Colvin / Michelle Townsend)

RESPONSIVE DOCUMENTS:

PUC03-01 Attachment 1.xlsx

SOAH DOCKET NO. 473-19-3864

PUC Docket No. 49421

PUC03-01 Attachment 1

Page 1 of 1

CenterPoint Energy Houston Electric, LLC
Short-Term Incentive by FERC Account
For the Year 2018

FERC Acct	Direct
5600	\$ 522,392
5611	10,194
5612	387,051
5613	36,398
5614	95,828
5615	138,288
5617	51,444
5620	119,879
5630	164,429
5640	61,817
5660	324,749
5690	130,547
5700	451,314
5710	361,532
5720	61,817
5730	23,425
5800	1,683,147
5810	284,766
5820	304,899
5830	734,429
5840	926,764
5850	137,622
5860	1,039,501
5870	307,006
5880	850,223
5900	586,326
5910	49,514
5920	598,550
5930	1,323,955
5940	514,952
5960	95,484
5970	61,817
5980	1,253
9020	23,081
9030	673,523
9070	3,049
9080	358,406
9090	11,464
9200	109,564
9250	159,293
9302	2,310,181
Total	16,089,874
9302 - 2017 True Up	1,210,875
Grand Total	\$ 17,300,749

WPV-K-6

SHORT TERM INCENTIVE (STI)											Adjustment Column
		A	B	C	D	E	F	G	H	I	
		Escalation of Annualized @ 3% for 9 Months					STI @ Avg Achievement 122%	STI Adjustment to CEHE			
		Annualized (Annex 5 * %)	Target at 100% (B / 1.3)	(C * 3% * 9/12)		(D * 1.22)	CEHE % Tot Billings	G (A * F)	E * F	G + H	
Line No	FERC Distribution	(BOOKS)	Adjusted Test Yr								
122	Total by FERC:										
123	1070	\$ 1,584,685	\$ 1,620,741	\$ 1,246,724	\$ 28,030	\$ 34,197	\$	\$ 1,544,834	\$ 33,386	\$ 1,578,220	
124	1810	\$ 126,276	\$ 124,225	\$ 95,558	\$ 2,150	\$ 2,623	\$	\$ 126,276	\$ 2,623	\$ 128,899	
125	1823	\$ 130,862	\$ 127,122	\$ 97,786	\$ 2,200	\$ 2,684	\$	\$ 130,862	\$ 2,684	\$ 133,546	
126	4261	\$ 187,312	\$ 179,684	\$ 138,219	\$ 3,110	\$ 3,794	\$	\$ 122,146	\$ 2,474	\$ 124,620	
127	4264	\$ 794,684	\$ 811,622	\$ 624,325	\$ 14,047	\$ 17,138	\$	\$ 571,428	\$ 12,323	\$ 583,751	
128	4265	\$ 109,235	\$ 185,233	\$ 142,487	\$ 3,206	\$ 3,911	\$	\$ 38,410	\$ 1,354	\$ 39,764	
129	5600	\$ 312,284	\$ 320,612	\$ 246,625	\$ 5,549	\$ 6,770	\$	\$ 312,871	\$ 6,783	\$ 319,653	
130	5620	\$ 4,302	\$ 4,438	\$ 3,414	\$ 77	\$ 94	\$	\$ 4,888	\$ 106	\$ 4,994	
131	5630	\$ 4,302	\$ 4,438	\$ 3,414	\$ 77	\$ 94	\$	\$ 4,888	\$ 106	\$ 4,994	
132	5640	\$ 4,302	\$ 4,438	\$ 3,414	\$ 77	\$ 94	\$	\$ 4,888	\$ 106	\$ 4,994	
133	5700	\$ 4,302	\$ 4,438	\$ 3,414	\$ 77	\$ 94	\$	\$ 4,888	\$ 106	\$ 4,994	
134	5710	\$ 8,603	\$ 8,876	\$ 6,827	\$ 154	\$ 187	\$	\$ 9,776	\$ 213	\$ 9,989	
135	5720	\$ 4,302	\$ 4,438	\$ 3,414	\$ 77	\$ 94	\$	\$ 4,888	\$ 106	\$ 4,994	
136	5800	\$ 1,344,840	\$ 1,380,631	\$ 1,062,024	\$ 23,896	\$ 29,153	\$	\$ 1,345,426	\$ 29,165	\$ 1,374,591	
137	5820	\$ 4,302	\$ 4,438	\$ 3,414	\$ 77	\$ 94	\$	\$ 4,888	\$ 106	\$ 4,994	
138	5830	\$ 8,603	\$ 8,876	\$ 6,827	\$ 154	\$ 187	\$	\$ 9,776	\$ 213	\$ 9,989	
139	5840	\$ 8,603	\$ 8,876	\$ 6,827	\$ 154	\$ 187	\$	\$ 9,776	\$ 213	\$ 9,989	
140	5850	\$ 8,603	\$ 8,876	\$ 6,827	\$ 154	\$ 187	\$	\$ 9,776	\$ 213	\$ 9,989	
141	5860	\$ 6,250	\$ 6,357	\$ 4,890	\$ 110	\$ 134	\$	\$ 6,836	\$ 147	\$ 6,983	
142	5870	\$ 4,302	\$ 4,438	\$ 3,414	\$ 77	\$ 94	\$	\$ 4,888	\$ 106	\$ 4,994	
143	5930	\$ 16,252	\$ 17,055	\$ 13,119	\$ 295	\$ 360	\$	\$ 16,838	\$ 373	\$ 17,211	
144	5970	\$ 4,302	\$ 4,438	\$ 3,414	\$ 77	\$ 94	\$	\$ 4,888	\$ 106	\$ 4,994	
145	9020	\$ 22,537	\$ 23,137	\$ 17,797	\$ 400	\$ 489	\$	\$ 10,613	\$ 230	\$ 10,843	
146	9030	\$ 2,395,526	\$ 2,467,586	\$ 1,898,143	\$ 42,320	\$ 51,631	\$	\$ 787,420	\$ 17,012	\$ 804,432	
147	9080	\$ 738	\$ 761	\$ 586	\$ 13	\$ 16	\$	\$ 722	\$ 16	\$ 737	
148	9090	\$ 761,285	\$ 785,008	\$ 603,853	\$ 13,438	\$ 16,394	\$	\$ 303,214	\$ 6,382	\$ 309,596	
149	9210	\$ 61,139	\$ 63,073	\$ 48,518	\$ 1,092	\$ 1,332	\$	\$ 35,324	\$ 769	\$ 36,093	
150	9250	\$ 434,455	\$ 447,994	\$ 344,610	\$ 7,669	\$ 9,356	\$	\$ 251,342	\$ 5,413	\$ 256,754	
151	9302	\$ 13,719,889	\$ 15,473,254	\$ 11,902,503	\$ 267,556	\$ 326,418	\$	\$ 5,500,175	\$ 122,908	\$ 5,623,083	
152	9310	\$ 681,311	\$ 702,842	\$ 540,663	\$ 12,165	\$ 14,841	\$	\$ 681,311	\$ 14,841	\$ 696,152	
153	9350	\$ 82,703	\$ 85,319	\$ 65,630	\$ 1,477	\$ 1,802	\$	\$ 36,545	\$ 796	\$ 37,342	
154	CLRS	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$	\$ 0	\$ 0	\$ 0	
155	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$	\$ -	\$ -	\$ -	
156	Grid Total By FERC	\$ 22,841,090	\$ 24,893,281	\$ 19,148,678	\$ 429,951	\$ 524,540	\$	\$ 11,900,798	\$ 261,384	\$ 12,162,182	

00000060

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

RECEIVED
2019 MAY -6 PM 2:37
PUBLIC UTILITY COMMISSION
FILING CLERK

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

May 6, 2019

Contact: Denise Hardcastle
CenterPoint Energy Houston Electric, LLC
1111 Louisiana Street
Houston, Texas 77002
Tel No: (713) 207-5767
Fax: (713) 207-9840
Denise.Hardcastle@CenterPointEnergy.com

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CenterPoint Energy Houston Electric, LLC's Response to Texas Industrial Energy Consumers First Requests for Information	2-22
Certificate of Service	23

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**TEXAS INDUSTRIAL ENERGY CONSUMER
REQUEST NO.: TIEC01-09**

QUESTION:

Regarding the Direct Testimony of Lynne Harkel-Rumford, please provide the amount of Long Term Incentive (LTI) compensation (Direct and Affiliate) included in the test year revenue requirement.

ANSWER:

The amount of direct LTI included in the test year revenue requirement is \$1,795,944.
The amount of affiliate LTI included in the test year revenue requirement is \$9,454,090.

SPONSOR:

Kristie Colvin/Michelle Townsend/Lynne Harkel-Rumford (Kristie Colvin/Michelle Townsend/Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

None

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

2019 MAY 17 PM 2:24

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

May 17, 2019

**Contact: Denise Hardcastle
CenterPoint Energy Houston Electric, LLC
1111 Louisiana Street
Houston, Texas 77002
Tel No: (713) 207-5767
Fax: (713) 207-9840
Denise.Hardcastle@CenterPointEnergy.com**

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CenterPoint Energy Houston Electric, LLC's Response to Public Utility Commission of Texas Third Requests for Information, Question PUC03-01U	2
Certificate of Service	4

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC03-01U**

QUESTION:

Payroll

Please identify—by FERC account, by incentive plan type (short-term, long-term, etc.), and by entity (CenterPoint, specific affiliate, etc.)—all amounts included in rates in CenterPoint's request relating to financially-based incentive compensation. For the purposes of answering this RFI, consider incentive compensation to be financially-based if the incentive compensation's payment or amount of payment is based, in whole or in part, on the achievement of any financial metric, including any balance sheet metric, income sheet metric, blended metric, or other financial amount. For the purpose of answering this RFI, any incentive compensation which involves both financial and operational metrics shall be considered to be financially-based incentive compensation.

ANSWER:

Refer to the response to COH03-17 for the STI amounts allocated from CERC to CenterPoint Houston. In addition, Attachment PUC03-01U includes the requested expense and capital amounts.

SPONSOR (PREPARER):

Kristie Colvin / Michelle Townsend (Kristie Colvin / Michelle Townsend)

RESPONSIVE DOCUMENTS:

PUC03-01U Attachment 1.xlsx

SOAH DOCKET NO. 473-19-3864

PUC Docket No. 49421

PUC03-01U Attachment 1

Page 1 of 1

CenterPoint Energy Houston Electric, LLC
Short-Term Incentive by FERC Account
For the Year 2018

FERC Acct	Direct
5600	\$ 522,392
5611	10,194
5612	387,051
5613	36,398
5614	95,828
5615	138,288
5617	51,444
5620	119,879
5630	164,429
5640	61,817
5660	324,749
5690	130,547
5700	451,314
5710	361,532
5720	61,817
5730	23,425
5800	1,683,147
5810	284,766
5820	304,899
5830	734,429
5840	926,764
5850	137,622
5860	1,039,501
5870	307,006
5880	850,223
5900	586,326
5910	49,514
5920	598,550
5930	1,323,955
5940	514,952
5960	95,484
5970	61,817
5980	1,253
9020	23,081
9030	673,523
9070	3,049
9080	358,406
9090	11,464
9200	109,564
9250	159,293
9302	2,310,181
Total	16,089,874
9302 - 2017 True Up	1,210,875
Grand Total	\$ 17,300,749

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

RECEIVED

2019 MAY 13 PM 3:25

PUBLIC UTILITY COMMISSION
FILING CLERK

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

May 13, 2019

Contact: Denise Hardcastle
CenterPoint Energy Houston Electric, LLC
1111 Louisiana Street
Houston, Texas 77002
Tel No: (713) 207-5767
Fax: (713) 207-9840
Denise.Hardcastle@CenterPointEnergy.com

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CenterPoint Energy Houston Electric, LLC's Response to City of Houston's Third Requests for Information, with the exception of COH03-29.....	2-119
Certificate of Service	120

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**CITY OF HOUSTON
REQUEST NO.: COH03-17**

QUESTION:

Incentive compensation: For each short-term incentive plan included in the revenue requirement, please identify the number of employees and amounts covered by the plan for CenterPoint Houston Electric and for each affiliate or operating unit with payroll costs allocated or assigned to Texas jurisdictional operations.

ANSWER:

All employees of CenterPoint Energy are eligible participants of the short-term incentive ("STI") plan in accordance with the eligibility requirements of the CenterPoint Energy, Inc. 2003 Short Term Incentive Plan, and its associated amendments, as provided in the Company's response to PUC03-03. See the table below for the requested number of employees:

Company	Employee Count
CenterPoint Houston Electric	2,768
CNP Service Company & Other Affiliates	1,663
Total	4,431

The affiliate STI amounts in the revenue requirement, as shown on Schedule II-D-3.6.1a are only for Service Company employees. Please see COH 03-17 Attachment 1.xlsx for the CERC STI amounts included in the revenue requirement.

SPONSOR (PREPARER):

Kristie Colvin/Michelle Townsend/Lynne Harkel-Rumford (Kristie Colvin/Michelle Townsend/Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

COH03-17 Attachment 1.xlsx

Estimated Short-Term Incentive Compensation (STI) Allocated to Houston Electric
For the Twelve Months Ended December 31

	<u>Financial</u>		<u>Operational</u>				
	<u>Overall Company Core Operating Income</u>	<u>Overall CNP Consolidated Diluted Earnings Per Share</u>	<u>Overall O&M Expenditures</u>	<u>Customer Satisfaction Composite</u>	<u>Overall Company Safety Performance Composite</u>	<u>Total</u>	
<u>2018 Short Term Goals and Objectives</u>							
Weighting	35.00%	20.00%	25.00%	10.00%	10.00%	100.00%	
Achievement Level	144.00%	200.00%	72.00%	93.00%	134.00%		
% of Goal Funding (Weighted Achievement Level)	50.40%	40.00%	18.00%	9.30%	13.40%	131.10%	
% of Overall Funding	38.44%	30.51%	13.73%	7.09%	10.22%	100.00%	<u>Total Incurred</u>
Estimated 2018 Short-Term Incentive By Goals (CERC) to Houston Electric	\$ 1,784	\$ 1,416	\$ 637	\$ 329	\$ 474	\$ 4,641	\$ 677,406

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

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

May 6, 2019

Contact: Denise Hardcastle
CenterPoint Energy Houston Electric, LLC
1111 Louisiana Street
Houston, Texas 77002
Tel No: (713) 207-5767
Fax: (713) 207-9840
Denise.Hardcastle@CenterPointEnergy.com

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CenterPoint Energy Houston Electric, LLC’s Response to Public Utility Commission of Texas Second Requests for Information, with the exception of PUC02-15, PUC02-18, PUC02-21 & PUC02-22	2-96
Certificate of Service	97

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC02-20**

QUESTION:

Payroll

Has the Company included any non-qualified pension payments in its request? If so, please provide by FERC account and identify as Company direct or affiliate allocated. Please provide the amounts expensed as well as the amounts capitalized.

ANSWER:

The Company has included non-qualified pension costs in its requested revenue requirement. Amounts are included in FERC 9260 for direct non-qualified pension expense and FERC 9302 for affiliate non-qualified pension expense.

Non-qualified pension amounts for direct company are \$303,818 for expense and \$276,629 for capital. Affiliate amounts are \$1,478,817 for expense and \$18,294 for capital.

SPONSOR (PREPARER):

Kristie Colvin / Michelle Townsend (Kristie Colvin / Michelle Townsend)

RESPONSIVE DOCUMENTS:

None

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

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

May 28, 2019

Contact: Denise Hardcastle
CenterPoint Energy Houston Electric, LLC
1111 Louisiana Street
Houston, Texas 77002
Tel No: (713) 207-5767
Fax: (713) 207-9840
Denise.Hardcastle@CenterPointEnergy.com

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CenterPoint Energy Houston Electric, LLC's Response to Public Utility Commission of Texas Ninth Request for Information.....	2-38
Certificate of Service	39

RECEIVED
2019 MAY 28 PM 2:28
PUBLIC UTILITY COMMISSION
FILING CLERK

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC09-06**

QUESTION:

Please provide CenterPoint's amount for *FERC Account No. 925, Injuries and Damages*, for calendar year 2019 through April 30, 2019.

ANSWER:

CenterPoint Houston's amount for FERC account number 9250 for March 31, 2019 year to date is \$4,804,781.63.

The FERC ledger has not closed for April 2019. CenterPoint Houston will provide an update after the FERC ledger closes for April 2019.

SPONSOR (PREPARER):

Kristie Colvin (Kristie Colvin)

RESPONSIVE DOCUMENTS:

None

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

2019 MAY 31 PM 2:16

PUBLIC UTILITY COMMISSION
FILING CLERK

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

May 31, 2019

Contact: Denise Hardcastle
CenterPoint Energy Houston Electric, LLC
1111 Louisiana Street
Houston, Texas 77002
Tel No: (713) 207-5767
Fax: (713) 207-9840
Denise.Hardcastle@CenterPointEnergy.com

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CenterPoint Energy Houston Electric, LLC's Response to Public Utility Commission of Texas Ninth Request for Information, Question PUC09-06U	2
Certificate of Service	3

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC09-06U**

QUESTION:

Please provide CenterPoint's amount for *FERC Account No. 925, Injuries and Damages*, for calendar year 2019 through April 30, 2019.

ANSWER:

CenterPoint Houston's amount for FERC account number 9250 for calendar year 2019 through April 30, 2019 is \$6,200,353.89.

SPONSOR (PREPARER):
Kristie Colvin (Kristie Colvin)

RESPONSIVE DOCUMENTS:
None

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

Form 1 Approved
OMB No. 1902-0021
(Expires 2/29/2009)
Form 1-F Approved
OMB No. 1902-0029
(Expires 2/28/2009)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 2/28/2009)



DOCKET NO. 35588

FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

RECEIVED
10 APR 16 PM 2:28
FILING CLERK
COMMIS

Exact Legal Name of Respondent (Company) CenterPoint Energy Houston Electric, LLC	Year/Period of Report End of <u>2009/Q4</u>
--	--

Name of Respondent CenterPoint Energy Houston Electric, LLC		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 12/31/2009	Year/Period of Report End of 2009/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision	483,843	464,647		
168	(908) Customer Assistance Expenses	26,588,617	24,972,825		
169	(909) Informational and Instructional Expenses	331,573	304,064		
170	(910) Miscellaneous Customer Service and Informational Expenses	1,267,025	1,267,253		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	28,689,058	27,008,779		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses				
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)				
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	3,747,734	2,872,868		
182	(921) Office Supplies and Expenses	752,412	1,093,580		
183	(Less) (922) Administrative Expenses Transferred-Credit				
184	(923) Outside Services Employed	681,894	501,493		
185	(924) Property Insurance	6,709,615	5,188,909		
186	(925) Injuries and Damages	7,289,974	5,369,441		
187	(926) Employee Pensions and Benefits	30,583,575	32,233,355		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses	3,818,343	10,209,399		
190	(929) (Less) Duplicate Charges-Cr.				
191	(930.1) General Advertising Expenses	1,687,974	1,276,397		
192	(930.2) Miscellaneous General Expenses	92,828,737	95,693,282		
193	(931) Rents	8,865,308	10,704,760		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	156,965,566	164,923,484		
195	Maintenance				
196	(935) Maintenance of General Plant	1,490,530	5,498,764		
197	TOTAL Administrative & General Expenses (Total of lines 184 and 196)	158,456,096	170,423,238		
198	TOTAL Elec Op and Maint Exprs (Total 80,112,131,156,184,171,178,197)	765,061,934	717,347,321		

123

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

Form 1 Approved
OMB No. 1902-0021
(Expires 12/31/2011)
Form 1-F Approved
OMB No. 1902-0029
(Expires 12/31/2011)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 1/31/2012)



RECEIVED
11 APR 18 PM 2:46
UTILITY COMMISSION
FILING CLERK

**FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report**

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature.

Project No. 35588

Exact Legal Name of Respondent (Company) CenterPoint Energy Houston Electric, LLC	Year/Period of Report End of <u>2010/Q4</u>
---	---

FERC FORM No.1/3-Q (REV. 02-04)

98 1

0000077

Name of Respondent CenterPoint Energy Houston Electric, LLC		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/15/2011	Year/Period of Report End of 2010/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision	558,630	483,843		
168	(908) Customer Assistance Expenses	30,055,768	26,588,817		
169	(909) Informational and Instructional Expenses	264,834	331,573		
170	(910) Miscellaneous Customer Service and Informational Expenses	1,346,483	1,287,025		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	32,225,493	28,689,058		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses				
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)				
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	3,418,145	3,747,734		
182	(921) Office Supplies and Expenses	781,933	752,412		
183	(Less) (922) Administrative Expenses Transferred-Credit				
184	(923) Outside Services Employed	1,097,610	681,894		
185	(924) Property Insurance	7,352,877	6,709,616		
186	(925) Injuries and Damages	4,889,210	7,289,974		
187	(926) Employee Pensions and Benefits	27,728,725	30,583,575		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses	5,013,563	3,818,343		
190	(929) (Less) Duplicate Charges-Cr.				
191	(930.1) General Advertising Expenses	834,493	1,687,974		
192	(930.2) Miscellaneous General Expenses	103,097,812	92,828,737		
193	(931) Rents	8,903,681	8,865,308		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	163,098,049	156,965,568		
195	Maintenance				
196	(935) Maintenance of General Plant	1,449,276	1,490,530		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	164,545,325	158,456,098		
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,158,164,171,178,197)	824,202,595	765,061,934		

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

PROJECT NUMBER 35588



Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2014)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2014)
Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)

RECEIVED
12 MAY -3 PM 2:16
PUBLIC UTILITY COMMISSION
FILING CLERK

**FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report**

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company) CenterPoint Energy Houston Electric, LLC	Year/Period of Report End of <u>2011/Q4</u>
--	--

Name of Respondent CenterPoint Energy Houston Electric, LLC		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/15/2012	Year/Period of Report End of 2011/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
166	Operation			
167	(907) Supervision	610,597	558,630	
168	(908) Customer Assistance Expenses	32,639,269	30,055,768	
169	(909) Informational and Instructional Expenses	259,863	264,634	
170	(910) Miscellaneous Customer Service and Informational Expenses	35,503	1,346,463	
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	33,545,272	32,225,493	
172	7. SALES EXPENSES			
173	Operation			
174	(911) Supervision			
175	(912) Demonstrating and Selling Expenses			
176	(913) Advertising Expenses			
177	(916) Miscellaneous Sales Expenses			
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)			
179	8. ADMINISTRATIVE AND GENERAL EXPENSES			
180	Operation			
181	(920) Administrative and General Salaries	3,133,815	3,416,145	
182	(921) Office Supplies and Expenses	778,828	761,933	
183	(Less) (922) Administrative Expenses Transferred-Credit			
184	(923) Outside Services Employed	820,788	1,097,610	
185	(924) Property Insurance	7,966,563	7,352,877	
186	(925) Injuries and Damages	6,803,926	4,889,210	
187	(926) Employee Pensions and Benefits	41,836,025	27,726,725	
188	(927) Franchise Requirements			
189	(928) Regulatory Commission Expenses	1,034,134	6,013,563	
190	(929) (Less) Duplicate Charges-Cr.			
191	(930.1) General Advertising Expenses	568,706	834,493	
192	(930.2) Miscellaneous General Expenses	110,571,511	103,097,812	
193	(931) Rents	9,173,762	8,903,661	
194	TOTAL Operation (Enter Total of lines 181 thru 193)	182,488,036	163,096,049	
195	Maintenance			
196	(935) Maintenance of General Plant	1,764,160	1,449,276	
197	TOTAL Administrative & General Expenses (Total of lines 184 and 196)	184,262,196	164,545,325	
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	888,531,529	824,202,595	

THIS FILING IS

Item 1: ☒ An Initial (Original)
SubmissionOR ☐ Resubmission No. _____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2014)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2014)
Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)

Project Number 35588

2013 APR 23 PM 3:25
FEDERAL ENERGY REGULATORY COMMISSION
FILING CLERK

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

CenterPoint Energy Houston Electric, LLC

Year/Period of Report

End of 2012/Q4

Name of Respondent CenterPoint Energy Houston Electric, LLC		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2013	Year/Period of Report End of 2012/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
166	Operation			
167	(907) Supervision	624,814	610,597	
168	(908) Customer Assistance Expenses	35,780,106	32,639,289	
169	(909) Informational and Instructional Expenses	254,329	259,883	
170	(910) Miscellaneous Customer Service and Informational Expenses	33,771	35,503	
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	36,693,020	33,545,272	
172	7. SALES EXPENSES			
173	Operation			
174	(911) Supervision			
175	(912) Demonstrating and Selling Expenses			
176	(913) Advertising Expenses			
177	(916) Miscellaneous Sales Expenses			
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)			
179	8. ADMINISTRATIVE AND GENERAL EXPENSES			
180	Operation			
181	(920) Administrative and General Salaries	3,469,724	3,133,815	
182	(921) Office Supplies and Expenses	704,531	778,828	
183	(Less) (922) Administrative Expenses Transferred-Credit			
184	(923) Outside Services Employed	915,095	820,786	
185	(924) Property Insurance	9,527,793	7,986,583	
186	(925) Injuries and Damages	7,502,018	6,803,826	
187	(926) Employee Pensions and Benefits	53,585,478	41,636,025	
188	(927) Franchise Requirements			
189	(928) Regulatory Commission Expenses	2,792,568	1,034,134	
190	(929) (Less) Duplicate Charges-Cr.			
191	(930.1) General Advertising Expenses	453,030	568,708	
192	(930.2) Miscellaneous General Expenses	104,174,962	110,571,511	
193	(931) Rents	9,901,552	9,173,782	
194	TOTAL Operation (Enter Total of lines 181 thru 193)	193,026,751	182,488,036	
195	Maintenance			
196	(935) Maintenance of General Plant	1,621,146	1,764,160	
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	194,647,897	184,252,196	
198	TOTAL Elec Op and Maint Exps (Total 80,112,131,156,164,171,178,197)	930,113,408	888,531,529	

THIS FILING IS

Item 1: ☒ An Initial (Original) Submission OR ☐ Resubmission No. _____

Form 1 Approved
OMB No. 1 902-0021
(Expires 12/31/2014)
Form 1-F Approved
OMB No. 1 902-0029
(Expires 12/31/2014)
Form 3-Q Approved
OMB No. 1 902-0205
(Expires 05/31/2014)

Project Number 35588

RECEIVED
14 APR 17 PM 1:24
PUBLIC UTILITIES
FILING CLERK

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

CenterPoint Energy Houston Electric, LLC

Year/Period of Report

End of 2013/Q4

Name of Respondent CenterPoint Energy Houston Electric, LLC		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/17/2014	Year/Period of Report End of 2013/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
166	Operation			
167	(907) Supervision	648,612	624,814	
168	(908) Customer Assistance Expenses	39,368,348	35,780,108	
169	(909) Informational and Instructional Expenses	283,270	254,329	
170	(910) Miscellaneous Customer Service and Informational Expenses	21,604	33,771	
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	40,319,834	36,693,020	
172	7. SALES EXPENSES			
173	Operation			
174	(911) Supervision			
175	(912) Demonstrating and Selling Expenses			
176	(913) Advertising Expenses			
177	(918) Miscellaneous Sales Expenses			
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)			
179	8. ADMINISTRATIVE AND GENERAL EXPENSES			
180	Operation			
181	(920) Administrative and General Salaries	3,665,137	3,469,724	
182	(921) Office Supplies and Expenses	853,353	704,531	
183	(Less) (922) Administrative Expenses Transferred-Credit			
184	(923) Outside Services Employed	987,490	915,085	
185	(924) Property Insurance	8,966,671	8,527,793	
186	(925) Injuries and Damages	15,322,881	7,502,018	
187	(926) Employee Pensions and Benefits	53,824,463	53,585,478	
188	(927) Franchise Requirements			
189	(928) Regulatory Commission Expenses	2,935,585	2,792,568	
190	(929) (Less) Duplicate Charges-Cr.			
191	(930.1) General Advertising Expenses	372,715	453,030	
192	(930.2) Miscellaneous General Expenses	113,293,857	104,174,962	
193	(831) Rents	10,456,157	9,901,552	
194	TOTAL Operation (Enter Total of lines 181 thru 193)	210,658,308	183,026,751	
195	Maintenance			
196	(935) Maintenance of General Plant	1,617,180	1,621,146	
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	212,275,488	184,647,897	
198	TOTAL Elec Op and Maint Exps (Total 80,112,131,156,164,171,178,197)	1,032,650,316	930,113,408	

Form 1 Approved
 OMB No.1902-0021
 (Expires 11/30/2016)
 Form 1-F Approved
 OMB No.1902-0029
 (Expires 11/30/2016)
 Form 3-Q Approved
 OMB No.1902-0205
 (Expires 11/30/2016)

THIS FILING IS

Item 1: ☒ An Initial (Original) Submission OR ☐ Resubmission No. ____

Project No. 35588



RECEIVED
 2015 APR 17 AM 11:39
 PUBLIC UTILITIES COMMISSION
 FILING CLERK

FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

526

Exact Legal Name of Respondent (Company)

CenterPoint Energy Houston Electric, LLC

Year/Period of Report

End of 2014/Q4

Name of Respondent		This Report Is:		Date of Report	End of
CenterPoint Energy Houston Electric, LLC		(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 04/17/2015	2014
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision	708,934	848,612		
168	(908) Customer Assistance Expenses	37,938,388	39,366,348		
169	(909) Informational and Instructional Expenses	2,221,166	283,270		
170	(910) Miscellaneous Customer Service and Informational Expenses	19,495	21,604		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	40,888,003	40,319,834		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses				
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)				
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	622,983	3,665,137		
182	(921) Office Supplies and Expenses	814,367	853,353		
183	(Less) (922) Administrative Expenses Transferred-Credit				
184	(923) Outside Services Employed	928,800	967,490		
185	(924) Property Insurance	8,491,188	8,966,871		
186	(925) Injuries and Damages	18,549,983	15,322,881		
187	(926) Employee Pensions and Benefits	55,825,361	53,824,463		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses	1,174,030	2,935,585		
190	(929) (Less) Duplicate Charges-Cr.				
191	(930.1) General Advertising Expenses	496,274	372,715		
192	(930.2) Miscellaneous General Expenses	124,598,516	113,293,857		
193	(931) Rents	11,193,348	10,456,157		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	222,694,850	210,658,309		
195	Maintenance				
196	(935) Maintenance of General Plant	2,085,637	1,617,160		
197	TOTAL Administrative & General Expenses (Total of lines 184 and 198)	224,780,487	212,275,469		
198	TOTAL Elec Op and Maint Exps (Total 80,112,131,156,164,171,178,197)	1,234,751,127	1,032,650,316		

THIS FILING IS

Item 1: ☒ An Initial (Original) Submission OR ☐ Resubmission No. _____

PROJECT NO. 35588



Form 1
OMB No. 19-02-0021
(Expires 11/30/2016)
Form 1-F Approved
OMB No. 19-02-0029
(Expires 11/30/2016)
Form 3-Q Approved
OMB No. 19-02-0021
(Expires 11/30/2016)

RECEIVED
APR 18 PM 1:27
PUBLIC UTILITY COMMISSION
FILING CLERK

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

CenterPoint Energy Houston Electric, LLC

Year/Period of Report

End of 2015/Q4

Name of Respondent CenterPoint Energy Houston Electric, LLC		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/15/2016	Y End of 2015/04	Page 18
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)						
If the amount for previous year is not derived from previously reported figures, explain in footnote.						
Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)			
185	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES					
186	Operation					
187	(907) Supervision	732,598	708,934			
188	(908) Customer Assistance Expenses	38,936,174	37,938,388			
189	(909) Informational and Instructional Expenses	2,992,230	2,221,186			
190	(910) Miscellaneous Customer Service and Informational Expenses	228,206	19,496			
191	TOTAL Customer Service and Information Expenses (Total 187 thru 190)	42,889,208	40,888,003			
192	7. SALES EXPENSES					
193	Operation					
194	(911) Supervision					
195	(912) Demonstrating and Selling Expenses					
196	(913) Advertising Expenses					
197	(916) Miscellaneous Sales Expenses					
198	TOTAL Sales Expenses (Enter Total of lines 194 thru 197)					
199	8. ADMINISTRATIVE AND GENERAL EXPENSES					
200	Operation					
201	(920) Administrative and General Salaries	580,340	622,983			
202	(921) Office Supplies and Expenses	1,900,622	814,367			
203	(Less) (922) Administrative Expenses Transferred-Credit					
204	(923) Outside Services Employed	1,025,170	928,800			
205	(924) Property Insurance	8,219,823	8,491,188			
206	(925) Injuries and Damages	20,736,430	18,549,983			
207	(926) Employee Pensions and Benefits	56,739,020	55,825,361			
208	(927) Franchise Requirements					
209	(928) Regulatory Commission Expenses	416,053	1,174,030			
210	(929) (Less) Duplicate Charges-Cr.					
211	(930.1) General Advertising Expenses	317,481	496,274			
212	(930.2) Miscellaneous General Expenses	124,419,422	124,598,516			
213	(931) Rents	11,228,688	11,193,348			
214	TOTAL Operation (Enter Total of lines 201 thru 213)	225,583,049	222,694,850			
215	Maintenance					
216	(935) Maintenance of General Plant	2,809,495	2,085,637			
217	TOTAL Administrative & General Expenses (Total of lines 204 and 216)	228,392,544	224,780,487			
218	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	1,288,035,107	1,234,751,127			

THIS FILING IS

Item 1: ☒ An Initial (Original)
SubmissionOR ☐ Resubmission No. _____

Form

OMB No.1902-0021

(Expires 12/31/2019)

Form 1-F Approved

OMB No.1902-0029

(Expires 12/31/2019)

Form 3-Q Approved

OMB No.1902-0205

(Expires 12/31/2019)

PROJECT NO. 35588



RECEIVED
2017 APR 18 PM 2:48
PUBLIC UTILITY COMMISSION
FILING CLERK

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act; Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

CenterPoint Energy Houston Electric, LLC

Year/Period of Report

End of 2016/Q4

Name of Respondent CenterPoint Energy Houston Electric, LLC		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2017	Termination End of <u> </u>
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision	651,309	732,598		
168	(908) Customer Assistance Expenses	34,516,060	38,936,174		
169	(909) Informational and Instructional Expenses	3,001,288	2,992,230		
170	(910) Miscellaneous Customer Service and Informational Expenses	133,995	228,208		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	38,302,652	42,889,206		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses				
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)				
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	693,858	580,340		
182	(921) Office Supplies and Expenses	1,791,731	1,900,622		
183	(Less) (922) Administrative Expenses Transferred-Credit				
184	(923) Outside Services Employed	925,657	1,025,170		
185	(924) Property Insurance	7,688,094	8,219,823		
186	(925) Injuries and Damages	12,088,202	20,736,430		
187	(926) Employee Pensions and Benefits	58,199,016	56,739,020		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses	166,881	418,053		
190	(929) (Less) Duplicate Charges-Cr. -				
191	(930.1) General Advertising Expenses	608,514	317,481		
192	(930.2) Miscellaneous General Expenses	127,459,811	124,419,422		
193	(931) Rents	11,306,121	11,228,888		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	220,927,885	225,583,049		
195	Maintenance				
196	(935) Maintenance of General Plant	2,411,918	2,809,495		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	223,339,803	228,392,544		
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	1,345,296,829	1,288,035,107		

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2019)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2019)
Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)

PROJECT NO. 35588



FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

2016-01-01 00:17

Exact Legal Name of Respondent (Company) CenterPoint Energy Houston Electric, LLC	Year/Period of Report End of <u>2017/Q4</u>
--	--

FERC FORM No.1/3-Q (REV. 02-04)

0000091

1 319

Name of Respondent CenterPoint Energy Houston Electric, LLC		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/18/2018	Year/Period of Report End of 2017/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
165	6 CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision	592,984	651,309		
168	(908) Customer Assistance Expenses	31,613,999	34,516,060		
169	(909) Informational and Instructional Expenses	3,338,253	3,001,288		
170	(910) Miscellaneous Customer Service and Informational Expenses	8,248	133,995		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	35,553,484	38,302,652		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses				
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)				
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	661,627	693,858		
182	(921) Office Supplies and Expenses	1,742,136	1,791,731		
183	(Less) (922) Administrative Expenses Transferred-Credit				
184	(923) Outside Services Employed	1,093,482	925,857		
185	(924) Property Insurance	7,393,568	7,688,094		
186	(925) Injuries and Damages	16,950,989	12,088,202		
187	(926) Employee Pensions and Benefits	56,979,390	58,199,016		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses	35,879	166,881		
190	(929) (Less) Duplicate Charges-Cr.				
191	(930.1) General Advertising Expenses	513,458	608,514		
192	(930.2) Miscellaneous General Expenses	136,418,454	127,459,611		
193	(931) Rents	11,338,778	11,306,121		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	233,127,762	220,927,886		
195	Maintenance				
196	(935) Maintenance of General Plant	2,515,604	2,411,918		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	235,643,366	223,339,803		
198	TOTAL Elec Op and Maint Exps (Total 80,112,131,156,164,171,178,197)	1,414,187,014	1,345,296,829		

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No. _____

PROJECT NO. 35588



Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2019)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2019)
Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)

FILING CLERK

2018 JUN 1 1:37

000

**FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report**

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature.

Exact Legal Name of Respondent (Company) CenterPoint Energy Houston Electric, LLC	Year/Period of Report End of <u>2018/Q4</u>
---	---

Name of Respondent CenterPoint Energy Houston Electric, LLC		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/18/2019	Year/Period of Report End of 2018/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
166	Operation			
167	(907) Supervision	627,497	592,984	
168	(908) Customer Assistance Expenses	33,734,464	31,613,999	
169	(909) Informational and Instructional Expenses	3,913,591	3,338,253	
170	(910) Miscellaneous Customer Service and Informational Expenses	228,435	8,248	
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	38,503,987	35,553,484	
172	7 SALES EXPENSES			
173	Operation			
174	(911) Supervision			
175	(912) Demonstrating and Selling Expenses			
176	(913) Advertising Expenses			
177	(916) Miscellaneous Sales Expenses			
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)			
179	8. ADMINISTRATIVE AND GENERAL EXPENSES			
180	Operation			
181	(920) Administrative and General Salaries	2,370,686	661,627	
182	(921) Office Supplies and Expenses	1,795,265	1,742,136	
183	(Less) (922) Administrative Expenses Transferred-Credit			
184	(923) Outside Services Employed	1,063,665	1,093,482	
185	(924) Property Insurance	7,315,382	7,393,569	
186	(925) Injuries and Damages	22,844,718	16,950,989	
187	(926) Employee Pensions and Benefits	62,095,563	56,979,390	
188	(927) Franchise Requirements			
189	(928) Regulatory Commission Expenses	73,821	35,879	
190	(929) (Less) Duplicate Charges-Cr.			
191	(930.1) General Advertising Expenses	366,906	513,458	
192	(930.2) Miscellaneous General Expenses	145,090,563	136,418,454	
193	(931) Rents	10,884,639	11,338,778	
194	TOTAL Operation (Enter Total of lines 181 thru 193)	253,901,208	233,127,762	
195	Maintenance			
196	(935) Maintenance of General Plant	2,606,814	2,515,804	
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	256,508,022	235,643,566	
198	TOTAL Elec Op and Maint Exps (Total 80,112,131,156,164,171,178,197)	1,442,017,360	1,414,187,014	

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

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

RECEIVED
2019 MAY - 7 AM 11:43
PUBLIC UTILITY COMMISSION
FILING CLERK

May 6, 2019

Contact: Denise Hardcastle
CenterPoint Energy Houston Electric, LLC
1111 Louisiana Street
Houston, Texas 77002
Tel No: (713) 207-5767
Fax: (713) 207-9840
Denise.Hardcastle@CenterPointEnergy.com

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S RESPONSE TO PUBLIC UTILITY COMMISSION OF TEXAS SECOND REQUESTS FOR INFORMATION, PUC02-15, PUC02-18, PUC02-21 & PUC02-22	2-10
Certificate of Service	11

The response to PUC02-18 is highly sensitive and is being provided under separate cover.

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC02-15**

QUESTION:

Payroll

Has the Company experienced any reductions in force since the end of the test year or does the Company anticipate any reductions in force during the rate year? If yes, please describe and quantify.

ANSWER:

As discussed in the Direct Testimony of M. Shane Kimzey, the transaction between CenterPoint Energy, Inc. (CNP) and Vectren Corporation closed on February 1, 2019, after the test year for this rate filing. The completion of this transaction resulted in the restructuring of several departments across the enterprise. As a result, the Company experienced a reduction in headcount of 32 FTEs.

SPONSOR (PREPARER):

Lynne Harkel-Rumford (Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

None

SOAH DOCKET NO. 473-19-3864

PUC DOCKET NO. 49421 2019-05-20 2:55

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
CenterPoint Energy Houston Electric, LLC
1111 Louisiana Street
Houston, Texas 77002
Tel No: (713) 207-5767
Fax: (713) 207-9840
Denise.Hardcastle@CenterPointEnergy.com

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CenterPoint Energy Houston Electric, LLC's Response to Public Utility Commission of Texas Seventh Requests for Information	2-27
Certificate of Service	28

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC07-02**

QUESTION:

Payroll

Refer to the Company's response to Staff 02-15. Please provide the amounts, if any, by FERC account, that were included in the Company's request relating to payroll (and any other expenses) for the 32 FTEs who were part of the reduction in force described in the RFI response.

ANSWER:

See amounts below by FERC account that were included in CenterPoint Houston's request relating to the reduction in headcount of 32 FTEs, as described in response to PUC02-15.

FERC Account	Total
5600	65,738.36
5615	3,774.40
5617	754.88
5630	21,259.20
5660	43,596.31
5690	3,723.04
5700	9,303.94
5710	49,227.32
5800	190,031.54
5810	3,774.40
5820	4,514.61
5830	67,746.96
5840	136,099.74
5860	54,174.03
5880	62,441.23
5900	33,977.38
5910	2,590.72

5920	22,693.69
5930	197,726.75
5940	50,073.79
9030	127,141.71
9200	102,668.94
9250	138,331.21
9302	49,700.37
9260	92,771.42
4081	118,120.72
Grand Total	1,651,956.65

SPONSOR (PREPARER):

Kristie Colvin/Lynne Harkel-Rumford (Kristie Colvin/Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

None

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

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

May 6, 2019

Contact: Denise Hardcastle
CenterPoint Energy Houston Electric, LLC
1111 Louisiana Street
Houston, Texas 77002
Tel No: (713) 207-5767
Fax: (713) 207-9840
Denise.Hardcastle@CenterPointEnergy.com

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CenterPoint Energy Houston Electric, LLC's Response to Public Utility Commission of Texas Second Requests for Information, with the exception of PUC02-15, PUC02-18, PUC02-21 & PUC02-22	2-96
Certificate of Service	97

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC02-37

QUESTION:

Affiliates — Shared Assets

Has the Company included any amounts for carrying costs associated with shared assets that have been charged by an affiliate in its revenue requirement? If so, please provide, by FERC account, the amount in total, the amount that is debt based, and the amount considered equity return.

ANSWER:

Consistent with the 'Compensation For Use of Capital' as filed in the FERC Form 60, the amount of return billed to CenterPoint Energy Houston Electric for shared assets held at the Service Company are listed below:

FERC*	Total	Debt	Equity
5600	899,432	328,534	570,899
5620	105	38	67
5630	105	38	67
5640	105	38	67
5700	105	38	67
5710	210	77	133
5720	105	38	67
5800	3,336,154	1,218,589	2,117,565
5820	105	38	67
5830	210	77	133
5840	210	77	133
5850	210	77	133
5860	105	38	67
5870	105	38	67
5930	105	38	67
5970	105	38	67
9020	47,121	17,212	29,909
9030	81,269	29,685	51,584
9030	504,708	184,354	320,354
9302	2,915,124	1,064,800	1,850,323
9350	765	279	485
Total	7,786,463	2,844,143	4,942,320
*FERC assignment is estimated based on total 2018 Service Company billings			

SPONSOR (PREPARER):

Michelle Townsend (Michelle Townsend)

RESPONSIVE DOCUMENTS:

None

RECEIVED

SOAH DOCKET NO. 473-17-1764
PUC DOCKET NO. 46449

2017 JAN 19 PM 2:56

APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE OF
ELECTRIC POWER COMPANY FOR § OF
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION**

JANUARY 19, 2017

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
Response No. Staff 4-1 .....	.....4
Attachment 2 to Response No. Staff 4-1 .....	.....5
Response No. Staff 4-2 .....	.....6
Attachment 1 to Response No. Staff 4-2 .....	.....7
Response No. Staff 4-3 .....	.....12
Attachment 1 to Response No. Staff 4-3 .....	.....13
Response No. Staff 4-4 .....	.....14
Attachment 1 to Response No. Staff 4-4 .....	.....15
Response No. Staff 4-5 .....	.....30
Attachment 1 to Response No. Staff 4-5 .....	.....31
Response No. Staff 4-6 .....	.....34
Response No. Staff 4-7 .....	.....35
Response No. Staff 4-8 .....	.....36
Response No. Staff 4-9 .....	.....37
Response No. Staff 4-10 .....	.....38
Response No. Staff 4-11 .....	.....39
Response No. Staff 4-12 .....	.....40
Response No. Staff 4-13 .....	.....41
Response No. Staff 4-14 .....	.....42
Attachment 1 to Response No. Staff 4-14 .....	.....43

**SOAH DOCKET NO. 473-17-1764
PUC DOCKET NO. 46449**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION**

Question No. Staff 4-37:

Has the Company included any amounts for carrying costs associated with affiliate or shared assets that have been charged by an affiliate in its revenue requirement? If so, please provide by FERC account the amount in total, amount that is debt based, and the amount considered equity return.

Response No. Staff 4-37:

The carrying charges are expenses billed to SWEPCO from AEPSC, related to AEPSC's occupancy/usage of other AEP affiliates' buildings. These charges are incurred by AEPSC, and therefore, must be billed to the affiliates benefitting from those charges.

Please see Staff 4-37 Attachment 1 for carrying costs associated with affiliate assets that have been charged by AEPSC to SWEPCO in cost of service accounts. Attachment has amounts by FERC account, total carrying costs, amount that is debt based, and the amount considered equity.

Please see Staff 4-37 Attachment 2 for carrying costs associated with SWEPCO assets that have been charged by SWEPCO to affiliates, which would be included, as a reduction, in SWEPCO's revenue requirement.

Prepared By: Hillary Fraley
Matthew Murray

Title: Process Analytics Mgr
Accountant Sr

Sponsored By: Brian Frantz

Title: Regulated Accounting Mgr

SOAH Docket No. 4/3-1/-1764
PUC Docket No. 46449
Staff's 4117, Q. #Staff 4-37
Attachment 1

SOUTHWESTERN ELECTRIC POWER COMPANY
Carrying Costs associated with Affiliate Assets by FERC Acct
Billed from AEPSC to SWEPCO in Cost of Service Accounts
For The Test Year Ended June 30, 2016

FERC Acct	Total Carrying Costs	Debt Component	Equity Component
5000 - Oper Supervision & Engineering	92,454	25,252	67,202
5010 - Fuel	5,435	1,485	3,951
5020 - Steam Expenses	526	144	382
5060 - Misc Steam Power Expenses	592	162	430
5100 - Maint Supv & Engineering	4,390	1,199	3,191
5110 - Maintenance of Structures	633	173	460
5120 - Maintenance of Boiler Plant	1,031	282	750
5130 - Maintenance of Electric Plant	585	160	425
5140 - Maintenance of Misc Steam Plt	774	211	563
5170 - Oper Supervision & Engineering	9	3	7
5240 - Misc Nuclear Power Expenses	1	0	1
5280 - Maint Supv & Engineering	16	4	12
5300 - Maint of Reactor Plant Equip	3	1	2
5350 - Oper Supervision & Engineering	1	0	1
5530 - Maintenance of Generating Plt	222	61	162
5560 - Sys Control & Load Dispatching	8,285	2,263	6,022
5570 - Other Expenses	17,709	4,837	12,872
5600 - Oper Supervision & Engineering	104,782	28,748	76,034
5611 - Load Dispatch - Reliability	3,896	1,070	2,826
5612 - Load Dispatch-Mnt&Op TransSys	216,134	59,338	156,796
5615 - Reliability,Plng&Sids Develop	27,219	7,473	19,746
5620 - Station Expenses	12	3	9
5630 - Overhead Line Expenses	128	35	93
5660 - Misc Transmission Expenses	71,759	19,691	52,068
5680 - Maint Supv & Engineering	94	26	69
5690 - Maintenance of Structures	1	0	1
5691 - Maint of Computer Hardware	5	1	4
5692 - Maint of Computer Software	46,327	12,718	33,609
5700 - Maint of Station Equipment	1,378	376	1,002
5710 - Maintenance of Overhead Lines	3,765	1,028	2,737
5720 - Maint of Underground Lines	2	1	2
5730 - Maint of Misc Trmsmission Plt	388	106	282
5800 - Oper Supervision & Engineering	8,727	2,384	6,344
5810 - Load Dispatching	1,001	275	727
5820 - Station Expenses	61	17	44
5840 - Underground Line Expenses	174	48	127
5860 - Meter Expenses	1,828	499	1,329
5880 - Miscellaneous Distribution Exp	12,277	3,353	8,924
5900 - Maint Supv & Engineering	46	13	33
5920 - Maint of Station Equipment	546	149	397
5930 - Maintenance of Overhead Lines	611	167	444
5970 - Maintenance of Meters	4	1	3
5980 - Maint of Misc Distribution Plt	11	3	8
9010 - Supervision - Customer Accts	1,005	274	730
9020 - Meter Reading Expenses	813	222	591
9030 - Cust Records & Collection Exp	97,623	26,664	70,959
9050 - Misc Customer Accounts Exp	298	81	217
9070 - Supervision - Customer Service	1,245	340	905
9080 - Customer Assistance Expenses	460	126	334
9100 - Misc Cust Svc&Informational Ex	67	18	49
9200 - Administrative & Gen Salaries	342,908	93,662	249,246
9210 - Office Supplies and Expenses	0	0	0
9230 - Outside Services Employed	5,322	1,455	3,867
9250 - Injuries and Damages	616	168	448
9260 - Employee Pensions & Benefits	661	181	480
9280 - Regulatory Commission Exp	5,135	1,403	3,733
9301 - General Advertising Expenses	229	63	167
9302 - Misc General Expenses	2,150	588	1,563
9350 - Maintenance of General Plant	2,897	791	2,106
Grand Total	1,095,273	299,793	795,480

SOAH Docket No. 473-17-1764
PUC Docket No. 46449
Staff's 4th, Q. #Staff 4-37
Attachment 2

SOUTHWESTERN ELECTRIC POWER COMPANY
Carrying Costs associated with Affiliate Assets by FERC Acct
Billed from SWEPCO to Other Affiliates
For The Test Year Ended June 30, 2016

<u>FERC Acct</u>	<u>Total Carrying Costs</u>	<u>Debt Component</u>	<u>Equity Component</u>
4540 - Rent From Electric Property	(692,394.04)	(182,670.66)	(509,723.38)

DOCKET NO. 38339
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
COST OF SERVICE RATE ADJUSTMENT FILING
PURSUANT TO PURA SECTION 36.102

TABLE OF CONTENTS

RECEIVED
 18 MAR 30 AM 9:08
 PUBLIC UTILITY COMMISSION
 FILING CLERK

VOLUME I**INTRODUCTION AND TESTIMONY**

<u>TAB</u>	<u>DESCRIPTION</u>	<u>PAGE(S)</u>
	Table of Contents	1-14
	Application	15-31
	WITNESS	
	<u>Policy</u>	
	Scott Prochazka	32-61
	John J. Reed	62-137
	<u>Alternative Ratemaking</u>	
	Paul D. Gastineau	138-160
	<u>Accounting</u>	
	Walter L. Fitzgerald	161-234
	<u>Cost of Capital</u>	
	Marc Kilbride	235-526
	Robert B. Hevert	527-693
	<u>Operations and Capital Investment</u>	
	John C. Houston	694-752
	Terry Finley	753-857
	Daniel O. Hagen	858-961
	Gregory Knight	962-993
	Susan J. Neel	994-1030

SPONSOR: WALTER L. FITZGERALD

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
R-B SUMMARY OF RATE BASE
TEST YEAR ENDING 12/31/2008
DOCKET #3339
(THOUSANDS OF DOLLARS)

Line No	Description	Reference Schedule	Test Year Total Electric	Company Adjustments	Company Total Request	TRAN	DIST	NET	TDCS	Total TCR-Retail
1	Original Cost of Plant	II-B-1	6,831,307	83,714	6,716,021	1,813,888	4,489,104	365,942	49,276	6,716,021
2	General Plant	II-B-2	279,845	(7,928)	271,917	33,970	186,942	35,328	1,006	271,917
3	Communication Equipment	II-B-3	274,349	(30,787)	243,572	28,029	171,253	37,749	8,942	243,572
4	Total Plant		7,184,541	44,999	7,230,530	1,876,886	4,866,686	439,719	88,916	7,230,530
5	Minus: Accumulated Depreciation	II-B-5	(3,043,527)	56,743	(2,986,784)	(630,280)	(2,087,180)	(249,466)	(39,848)	(2,986,784)
6	Net Plant In Service		4,142,014	101,732	4,243,746	1,246,606	2,792,818	189,252	16,068	4,243,746
7										
8										
9	Other Rate Base Items:									
10	CWIP	II-B-4	141,768	(141,748)	-	-	-	-	-	-
11	Cash Working Capital	II-B-8	74,330	(25,266)	49,064	7,318	29,834	7,810	4,301	49,064
12	Prepayments	II-B-10	10,821	(6,087)	4,734	1,301	2,918	168	17	4,734
13	Materials & Supplies	II-B-9	68,356	-	68,356	22,974	41,444	3,837	-	68,356
14	Plant Held for Future Use	II-B-6	14,214	(13,887)	317	31	186	-	-	317
15	Accumulated Provisions, ADIT, FAS 108 Accts.	II-B-7	(883,869)	(64,182)	(948,051)	(148,387)	(639,865)	(34,474)	(5,304)	(948,051)
16	Rate Base Other	II-B-11	32,331	26,008	58,340	9,834	36,446	9,874	4,087	58,340
17	Regulatory Assets	II-B-12	(322,348)	(223,274)	(545,622)	(107,931)	(429,048)	(13,764)	3,101	(545,622)
18										
19										
20										
21	TOTAL RATE BASE		3,619,848	(123,442)	3,496,406	1,137,876	2,358,530	178,488	16,171	3,496,406
22										
23	Rate of Return	II-C-1	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
24										
25	RETURN ON RATE BASE		343,768	(11,119)	332,649	102,391	212,734	18,796	1,726	332,649

SPONSOR: WALTER L. FITZGERALD

PUBLIC UTILITY COMMISSION OF TEXAS
CENTROPORT ENERGY HOUSTON ELECTRIC, U.C.
1998-1999 RATE BASE ACCOUNTS - REGULATORY ASSETS
TEST YEAR ENDING 12/31/2000
DOCKET 20339
(THOUSANDS OF DOLLARS)

Line No.	Account Number	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known Change	4 Company Total Electric	5 PF #	6 Fundamentalization Factor Name
1		Other Rate Base Items							
2		Regulatory Assets (Excluded) in Rate Base	B-B-12						
3									
4		Deferred Pension Costs PURA 38.065		31,878		24,008	57,887		PAYXAG
5		Expended Switching		453			453		DIRECT
6									
7									
8		TOTAL REGULATORY ASSETS	B-B-12	32,331		24,008	58,340		
9									
10									
11		TOTAL OTHER RATE BASE ITEMS	B-B-3 thru B-B-12	(464,117)		(43,535)	(447,642)		
12									
13		TOTAL RATE BASE	B-B-1 thru B-B-12	3,812,648		(123,645)	3,689,003		
14									
15		Rate of Return	B-C-1.1	9.00%	9.00%	9.00%	9.00%		
16									
17		RETURN ON RATE BASE		343,768		(11,119)	332,649		

• Please refer to Schedule II-F

SPONSOR: WALTER L. FITZGERALD

PUBLIC UTILITY COMMISSION OF TEXAS
CENTROPOINT ENERGY HOUSTON ELECTRIC, LLC
9.9-12 RATE BASE ACCOUNTS - REGULATORY ASSETS
TEST YEAR ENDING 12/31/2009
DOCKET 36339
(THOUSANDS OF DOLLARS)

Line No.	Account Number	Description	7	8	9	10	11	12
			Allocation to Texas	TRAN	DIST	MET	TOCS	TOTAL
1		Other Rate Base Items						
2		Regulatory Assets (Utilities) in Rate Base						
3								
4		Deferred Pension Costs PURA 38 065	57,887	8,824	38,445	8,521	4,087	57,887
5		Expensed Switching	453			453		453
6								
7								
8								
9		TOTAL REGULATORY ASSETS	58,340	8,824	38,445	8,974	4,087	58,340
10								
11		TOTAL OTHER RATE BASE ITEMS	58,340	(107,831)	(418,888)	(12,764)	3,181	(647,642)
12								
13		TOTAL RATE BASE	58,340	1,137,878	2,343,798	176,498	19,171	3,696,104
14		Rate of Return	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
15								
16		RETURN ON RATE BASE	332,649	102,391	272,738	18,798	1,728	332,649
17								

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
INCOME TAX RELATED REGULATORY ASSETS AND REGULATORY LIABILITIES
DOLLARS IN THOUSANDS
TEST YEAR ENDED 12/31/09
DOCKET 36139
SPONSOR: ALAN D. FELSENTHAL

Line No	Asset	Functionalization Basis	Total Company	Non-Regulated or Non-Electric	Known Change	Company Total Electric	TRAN	OBT	MET	TDCS	Total
1	Income Tax Related Regulatory Assets:										
2	AFUDC Equity - Federal	EPIS - Gross	\$7,568		\$1,772	\$9,380	\$2,428	\$6,291	\$568	\$72	\$9,380
3	AFUDC Equity - State	EPIS - Gross	-		-	-	-	-	-	-	-
4	AFUDC Debt - Federal	EPIS - Gross	(80)		315	235	61	158	14	2	235
5	AFUDC Debt - State	EPIS - Gross	-		-	-	-	-	-	-	-
6	State Depreciation Differences	EPIS - Gross	3,293		(3,293)	-	-	-	-	-	-
7	Non Depreciation Differences - State	EPIS - Gross	-		-	-	-	-	-	-	-
8	Total		\$10,801	\$0	(\$1,206)	\$8,595	\$2,489	\$6,448	\$582	\$74	\$8,595
9											
10											
11	SFAS No. 109 ADIT Liabilities:										
12	SFAS 109 ADFIT AFUDC Equity	EPIS - Gross	(\$7,703)		(\$1,657)	(\$9,360)	(\$2,428)	(\$6,291)	(\$568)	(\$72)	(\$9,360)
13	SFAS 109 ADSIT AFUDC Equity	EPIS - Gross	-		-	-	-	-	-	-	-
14	SFAS 109 ADFIT AFUDC Debt	EPIS - Gross	57		(292)	(235)	(61)	(158)	(14)	(2)	(235)
15	SFAS 109 ADSIT AFUDC Debt	EPIS - Gross	-		-	-	-	-	-	-	-
16	SFAS 109 ADSIT Depreciation Differences	EPIS - Gross	(2,618)		2,618	-	-	-	-	-	-
17	SFAS 109 ADSIT Non Depreciation Differences	EPIS - Gross	(2,288)		2,288	-	-	-	-	-	-
18	Total		(\$12,552)	\$0	\$2,957	(\$9,595)	(\$2,489)	(\$6,448)	(\$582)	(\$74)	(\$9,595)

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
INCOME TAX RELATED REGULATORY ASSETS AND REGULATORY LIABILITIES
DOLLARS IN THOUSANDS
TEST YEAR ENDED 12/31/2009
DOCKET 36339
SPONSOR: ALAN D. FELSENTHAL

Line No.	Liabilities	Functionalization Basis	Total Company	Non-Regulated or Non-Electric	Known Change	Company Total Electric	TRAN	DIST	MET	TDCS	Total
1	Income Tax Related Regulatory Liabilities:										
2	Excess Deferred Taxes - State	EPIS - Gross	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Excess Deferred Taxes - Federal	EPIS - Gross	(11,545)		-	(11,545)	(2,965)	(7,760)	(701)	(89)	(11,545)
4	ITC - Federal	EPIS - Gross	1,900		(2,626)	(726)	(186)	(488)	(44)	(6)	(726)
5	ITC - State	EPIS - Gross	-		-	-	-	-	-	-	0
6											
7	Total		(\$9,645)	\$0	(\$2,626)	(\$12,271)	(\$3,184)	(\$8,248)	(\$745)	(\$95)	(\$12,271)
8											
9											
10	SFAS No. 109 ADIT Assets:										
11	SFAS 109 ADIT - Excess Deferred Taxes	EPIS - Gross	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	SFAS 109 ADIT Excess Deferred Taxes	EPIS - Gross	11,346		199	11,545	2,995	7,760	701	89	11,545
13	SFAS 109 ADIT ITC	EPIS - Gross	(2,106)		2,832	726	186	488	44	6	726
14	SFAS 109 ADIT ITC	EPIS - Gross	-		-	-	-	-	-	-	0
15											
16	Total		\$9,240	\$0	\$3,031	\$12,271	\$3,184	\$8,248	\$745	\$95	\$12,271
17											
18	Net Regulatory Liability		\$1,156		(\$3,832)	(\$2,676)	(\$694)	(\$1,799)	(\$162)	(\$21)	(\$2,676)
19											
20	Net ADIT Debt		(\$3,312)		\$5,988	\$2,676	\$694	\$1,799	\$162	\$21	\$2,676

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
INCOME TAX RELATED REGULATORY ASSETS AND REGULATORY LIABILITIES
DOLLARS IN THOUSANDS
TEST YEAR ENDED 12/31/2009
DOCKET 38339
SPONSOR: ALAN D. FELSENTAL

Line No.	Allocator	TRAN	DIST	MET	TDCS	Total
1	Gross Electric Plant in Service	1,875,895	4,859,998	438,719	55,918	7,230,530
2		25.94%	67.21%	6.07%	0.77%	100.00%