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Item Number: 535

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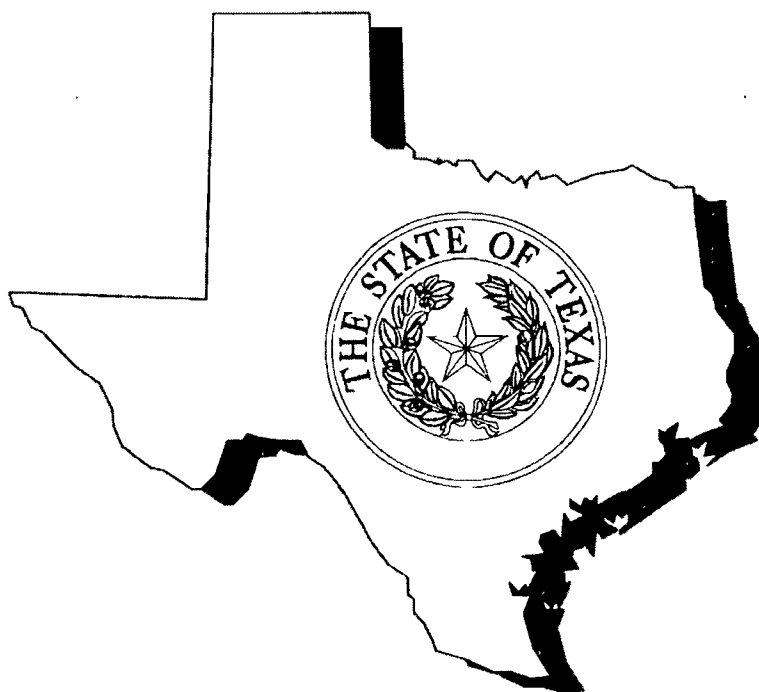
SOAH DOCKET NO. 473-19-3864
PUCT DOCKET NO. 49421

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REGULATORY DIVISION

APPLICATION OF CENTERPOINT
ENERGY HOUSTON ELECTRIC, LLC
FOR AUTHORITY TO CHANGE RATES

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BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS



REVENUE REQUIREMENT PHASE
WORKPAPERS OF

MARK FILAROWICZ
RATE REGULATION DIVISION
PUBLIC UTILITY COMMISSION OF TEXAS

JUNE 13, 2019

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TRANSCRIPT OF PROCEEDINGS
BEFORE THE
PUBLIC UTILITY COMMISSION OF TEXAS
AUSTIN, TEXAS

OPEN MEETING
THURSDAY, DECEMBER 3, 2015

BE IT REMEMBERED THAT AT approximately
9:34 a.m., on Thursday, the 3rd day of December 2015,
the above-entitled matter came on for hearing at the
Public Utility Commission of Texas, 1701 North Congress
Avenue, William B. Travis Building, Austin, Texas,
Commissioners' Hearing Room, before DONNA L. NELSON,
Chairman, KENNETH W. ANDERSON, JR. and BRANDY MARQUEZ,
Commissioners; and the following proceedings were
reported by William C. Beardmore, Certified Shorthand
Reporter.

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FUNDS FROM THE TEXAS UNIVERSAL SERVICE	
FUND PURSUANT TO 16 TAC § 26.406	CONSENTED

AGENDA ITEM NO. 2

DISCUSSION AND POSSIBLE ACTION REGARDING
IMPLEMENTATION OF STATE AND FEDERAL
LEGISLATION AFFECTING TELECOMMUNICATIONS
MARKETS, CURRENT AND PROJECTED RULEMAKING
PROJECTS, AND COMMISSION PRIORITIES NOT HEARD

ELECTRIC

AGENDA ITEM NO. 3

DOCKET NO. 42467; SOAH DOCKET NO.
473-14-4431 - APPLICATION OF ELECTRIC
TRANSMISSION TEXAS, LLC TO AMEND ITS
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NECESSITY FOR THE PROPOSED BARNEY DAVIS
TO NAVAL BASE 138-KV SINGLE-CIRCUIT
TRANSMISSION LINE IN NUECES COUNTY 10

AGENDA ITEM NO. 4

DOCKET NO. 45286 - PETITION OF ELECTRIC

0000002

22 is higher than what we've approved in the past.
23 COMM. ANDERSON: And that's where the
24 money is in rates, is in the equity piece. That's what
25 affects the --

0181

1 CHAIRMAN NELSON: I mean, it's a lot
2 harder when the debt is so -- when the cost of debt is
3 low.

4 COMM. MARQUEZ: Which, you know, it will
5 change and it will change probably sooner rather than
6 later.

7 CHAIRMAN NELSON: Although the feds seem
8 to be determined. I think that's an admission by that
9 feds that things aren't going so well, but whatever.

10 COMM. ANDERSON: You know, I --
11 particularly in this environment I just thought that --
12 and frankly in this environment even with a higher debt
13 number somebody has got to explain to me why you have a
14 cap structure with more than 50 percent equity in it,
15 because it's not like -- I mean, this isn't like a bank
16 or something.

17 I mean, it just is -- the risk profile is
18 such that --

19 CHAIRMAN NELSON: But you're willing to
20 agree to 51/49?

21 COMM. ANDERSON: Yeah. I'm willing to
22 agree to 51/49.

23 CHAIRMAN NELSON: Okay. So 51 equity, 49
24 debt.

25 COMM. MARQUEZ: -- can do it.

0182

1 COMM. ANDERSON: Okay.

2 CHAIRMAN NELSON: Okay.

3 COMM. MARQUEZ: All right. Sold.

4 CHAIRMAN NELSON: Now we'll start going
5 over O&M expenses.

6 MS. DWYER: Chairman Nelson, may I briefly
7 interrupt just to --

8 CHAIRMAN NELSON: You may.

9 MS. DWYER: -- make sure that in drafting
10 the order I'm accurately reflecting your discussion?

11 So the 51 equity, 49 percent debt, is
12 it -- it's partially to reflect the test year actual
13 capital structure --

14 CHAIRMAN NELSON: Yes.

15 MS. DWYER: -- and partially to reflect
16 that a prudent utility should have a cap structure
17 that's close to 50/50?

18 CHAIRMAN NELSON: Yes.

19 MS. DWYER: All right. Thank you.

20 COMM. ANDERSON: Or --

21 CHAIRMAN NELSON: Or it's consistent with
22 previous --

23 COMM. ANDERSON: Previous and it
24 shouldn't -- you know, that more than 50/50, 51 is
25 excessive.

0183

1 MS. DWYER: All right. Thank you.

2 CHAIRMAN NELSON: Or could we say is a
3 high hurdle? I don't ever want to say something's

4 absolutely not.

5 COMM. ANDERSON: Oh excessive. I just

6 think that --

7 CHAIRMAN NELSON: It's a high hurdle for a

8 company to --

9 COMM. ANDERSON: I think it's more

10 prudent, a more prudent balance sheet.

11 MS. DWYER: All right. That's helpful.

12 Thank you.

13 COMM. ANDERSON: For a rate regulated

14 utility. I mean, keep in mind that in the wires and

15 poles-only world kind of our standard has been

16 particularly for the TSPs have been 60/40 debt to

17 equity --

18 CHAIRMAN NELSON: Right.

19 COMM. MARQUEZ: Right.

20 COMM. ANDERSON: -- as being more cost

21 effective for ratepayers. Now there's a lot more

22 operational risk in a vertically integrated utility than

23 there is for a wires and poles company.

24 CHAIRMAN NELSON: I think there's a lot of

25 risk right now with all the power plants --

0184

1 COMM. ANDERSON: And there is some of

2 that, too.

3 CHAIRMAN NELSON: Okay. Let's start with

4 the O&M expenses.

5 So on the payroll expenses and salary

6 increases and the overall payroll expenses I would adopt

7 the PFD.

8 COMM. ANDERSON: I agree.

9 COMM. MARQUEZ: I agree.

10 CHAIRMAN NELSON: And then on the

11 incentive compensation I would adopt OPUC's

12 disallowance.

13 You know, we have well established

14 precedent on incentive compensation and I think a high

15 bar should be placed for recovery of any plan that mixes

16 financially-based and performance-based metrics.

17 COMM. MARQUEZ: I agree.

18 COMM. ANDERSON: I agree. It's

19 consistent. I mean --

20 CHAIRMAN NELSON: With our previous

21 decisions.

22 COMM. ANDERSON: All the previous orders

23 since I've been on the Commission.

24 CHAIRMAN NELSON: Right.

25 MS. DWYER: Madam Chairman, to go back to

0185

1 the salary -- the payroll expense -- I'm sorry -- are

2 you adopting the PFD on both the salary increase issue

3 and the overall expense?

4 CHAIRMAN NELSON: Yes.

5 MS. DWYER: Thank you.

6 CHAIRMAN NELSON: I don't know if I just

7 answered my phone or not.

8 Okay. So now the pension and related

9 benefits of stock equivalent plan, which is covered on

10 Page 102 of the PFD.

11 I would adopt the disallowance but on

12 different grounds. I think consistent with our previous
13 discussion their stock equivalent plan is part of its
14 compensation package for its nonemployee directors.

15 I think compensation is a necessary
16 expense for directors, but I don't think SPS failed -- I
17 think they didn't -- SPS failed to prove the stock
18 equivalent plan is not financially based incentive
19 compensation.

20 COMM. ANDERSON: And I agree.

21 COMM. MARQUEZ: I agree.

22 CHAIRMAN NELSON: So consistent with our
23 other decisions in the past I would disallow that.

24 On -- now on depreciation and expense
25 production and related general plant, I would adopt the

0186

1 PFD.

2 COMM. ANDERSON: I agree.

3 COMM. MARQUEZ: Agree.

4 CHAIRMAN NELSON: On depreciation expense,
5 transmission and related general plant I would adopt the
6 PFD.

7 COMM. ANDERSON: And I agree.

8 COMM. MARQUEZ: Agree.

9 CHAIRMAN NELSON: Account 303, I would
10 adopt the PFD.

11 COMM. ANDERSON: I agree.

12 COMM. MARQUEZ: Agree.

13 CHAIRMAN NELSON: On Account 391.004 I
14 would adopt the PFD.

15 COMM. ANDERSON: I agree.

16 COMM. MARQUEZ: Agree.

17 CHAIRMAN NELSON: On Account 390 I would
18 adopt the PFD.

19 COMM. ANDERSON: I agree.

20 COMM. MARQUEZ: I agree.

21 CHAIRMAN NELSON: And on Account 392.02 I
22 would overturn the PFD and adopt SPS's proposed average
23 service lives.

24 COMM. ANDERSON: I think that was a really
25 close call, but I tend to agree.

0187

1 CHAIRMAN NELSON: Okay.

2 COMM. MARQUEZ: I agree as well.

3 CHAIRMAN NELSON: On the affiliate charges
4 for external affairs I would adopt the PFD.

5 COMM. ANDERSON: I agree.

6 CHAIRMAN NELSON: And on the General
7 Counsel I would adopt the PFD.

8 COMM. ANDERSON: I agree.

9 COMM. MARQUEZ: Agree.

10 CHAIRMAN NELSON: On charges to New Mexico
11 work orders I would overturn the PFD increasing their
12 affiliate expenses by 203,474.

13 This is another really close call, Ken,
14 but I thought SPS's RFI responses and rebuttal testimony
15 could have been more clear and persuasive but -- so it's
16 understandable why the ALJs made the decision. They
17 did, but SPS's consistency argument is compelling; you
18 know, raising issues of fundamental fairness.

19 So I think disallowing those work orders

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APPLICATION OF CENTERPOINT § PUBLIC UTILITY COMMISSION
ENERGY HOUSTON ELECTRIC, §
LLC, RELIANT ENERGY RETAIL § OF TEXAS
SERVICES, LLC, AND TEXAS §
GENCO, LP TO DETERMINE §
STRANDED COSTS AND OTHER §
TRUE-UP BALANCES PURSUANT §
TO PURA § 39.262 §

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v. Costs Not Expended by December 31, 2006

- 222. If the joint applicants are permitted to recover environmental costs for work that is not completed, there will be an overrecovery of stranded costs.
- 223. CenterPoint agreed to return to customer environmental funds not expended on environmental projects.
- 224. The joint applicants indicated that the requested environmental costs are for projects to be finished by December 31, 2006.
- 225. It is appropriate for the joint applicants to demonstrate by January 31, 2007 that the \$698,704,600 was actually spent on environmental projects.
- 226. If the joint applicants cannot demonstrate that the funds were expended on environmental projects, then they it is appropriate to order them to refund to customers the unspent funds along with interest on the environmental funds and interest on stranded costs attributable to the environmental costs recovery.

i. SFAS No. 71 – Deferred Debits

- 227. SFAS No. 71 governs how regulated entities recover certain estimated costs of providing regulated services.
- 228. Pursuant to SFAS No. 71, a utility must capitalize incurred costs that a regulatory authority assures will be recovered in the future.
- 229. Deferred debits related to a utility's discontinuance of the application of SFAS No. 71 for generation-related assets are a component of stranded costs under the definition of "stranded cost" set forth in PURA § 39.251(7).
- 230. The joint applicants recorded \$14,187,517 in deferred debits on its books arising from the 2001 balance of Texas franchise taxes.
- 231. The joint applicants' 2001 Texas Corporation Franchise Tax Report shows a total tax due of \$30, 556,788.

232. The amount of franchise tax set forth in the 2001 Franchise Tax Report is the pre-allocation amount corresponding to the \$14,187,517 in generation-related deferred debits requested by the joint applicants.
233. No party challenged the joint applicants' functional allocation of the total 2001 franchise tax.
234. The joint applicants' predecessor accounted for state franchise taxes as a deferred debit, as evidenced by a report of journal entries from 1999.
235. Prior to deregulation, the joint applicants' recovered state franchise taxes in a two-year cycle; in one year, the amount was recorded as a deferred debit, while in the second year the amount was recovered in rates.
236. Under SFAS No. 71 and GAAP, the joint applicants have no mechanism to recover 2001 deferred debits for state franchise taxes, as the joint applicants did not receive regulated rates in 2002 or subsequent years.
237. The \$14,187,517 in deferred debits is the result of the joint applicants ceasing to account for this item under Statement of Financial Account Standard (SFAS) No.71.
238. The joint applicants properly incurred and accounted for a deferred debit relating to unamortized loss on reacquired debt of \$11,091,377.

j. Above-Market Purchased-Power Contracts

239. TGN's above-market purchased-power costs arising from contracts in effect before January 1, 1999, including any amendments and revisions to such contracts resulting from litigation initiated before January 1, 1999, is \$48,344,475.
240. TGN has two above-market purchased-power contracts: the Bayou Contract and the Clear Lake Contract.
241. Both the Bayou Contract and the Clear Lake Contract were in effect before January 1, 1999. Neither contract has been amended on or after January 1, 1999 in any manner that affects the stranded-cost calculation.

**PUC DOCKET NO. 33309
SOAH DOCKET NO. 473-07-0833**

**APPLICATION OF AEP TEXAS § PUBLIC UTILITY COMMISSION
CENTRAL COMPANY FOR §
AUTHORITY TO CHANGE RATES § OF TEXAS**

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PUBLIC UTILITIES DEPT.**

ORDER ON REHEARING

On November 9, 2006, AEP Texas Central Company (TCC) filed an application for authority to change rates pursuant to PURA,¹ Chapter 36, requesting an increase in base rates that would produce an annual base revenue increase of \$62,709,174. During the course of this proceeding, TCC reduced this amount to approximately \$49,952,000.² TCC also seeks to terminate the merger savings and rate reduction riders implemented in Docket No. 19365,³ further increasing its revenues by \$19,988,359 annually. Therefore, the total revenue increase sought by TCC in this proceeding is \$69,940,359.

The administrative law judges (ALJs) filed a proposal for decision (PFD) on August 30, 2007. In their PFD, the ALJs recommend that the Commission approve TCC's application, including termination of the merger savings and rate reduction riders, subject to the adjustments recommended in the Proposal for Decision (PFD). The recommendations reduce TCC's adjusted test year total revenue requirements from \$581,127,359 to \$531,123,478, a reduction of \$50,004,479. TCC identified several number-run adjustments required to implement the ALJs' decision.⁴ The Commission ordered Commission Staff to incorporate TCC's number-run corrections, which resulted

¹ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001 – 64.158 (Vernon Supp. 2007) (PURA).

² TCC Ex. 78, RWH-1R.

³ See *Application of Central and Southwest Corporation and American Electric Power Company, Inc. Regarding Proposed Business Combination*, Docket No. 19365, Integrated Stipulation and Agreement (Nov. 18, 1999).

⁴ AEP Central Company's Exceptions to the Proposal for Decision and Request for Number Running Corrections, Attachment E at 87-91 (Sept. 20, 2007).

81. TCC's adjustment to Allocator 70, Non-Electric Other Accounts Receivable, is reasonable.
82. TCC's inclusion of annual and long-term incentive compensation related to financial incentives in cost of service is unreasonable because it is not necessary for the provision of T&D utility services.
83. TCC reasonably determined group life insurance expense using an annualized June 2006 amount, with proper adjustments to cost of service to eliminate the portion of capitalized costs.
84. TCC reasonably determined savings plan (401k) expense using an annualized June 2006 amount, with proper adjustments to cost of service to eliminate the portion of capitalized costs, as adjusted in its rebuttal testimony.
85. TCC's pension expense of \$1,627,376, which reflects a reduction of \$456,000 for negative pension expense under SFAS 87 related to former generation employees, is reasonable and necessary.
86. TCC's requested adjusted test-year amount of \$5,953,937 for postretirement benefits under SFAS 106, which included \$886,264 in SFAS 106 transition adjustment amortization related to former generation employees, is reasonable.
87. Additional SFAS 106 postretirement benefit costs of \$564,736 related to the former generation employees should be included in cost of service.
88. Total SFAS 106 postretirement benefit costs of \$6,518,673 are reasonable and necessary.
89. A catastrophic property damage loss self-insurance program with an annual accrual of \$1,300,000 and a target reserve amount of \$13 million is in the public interest.
90. TCC's distribution O&M expenses, with the removal of the payment to the Public Utilities Board of Brownsville from distribution station maintenance expense, are reasonable and necessary.
91. TCC's transmission O&M expenses are reasonable and necessary.

**PUC DOCKET NO. 40443
SOAH DOCKET NO. 473-12-7519**

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**APPLICATION OF SOUTHWESTERN § PUBLIC UTILITY COMMISSION
ELECTRIC POWER COMPANY FOR §
AUTHORITY TO CHANGE RATES § OF TEXAS
AND RECONCILE FUEL COSTS §**

ORDER ON REHEARING

This Order addresses the application filed on July 27, 2012 by Southwestern Electric Power Company (SWEPCO) for authority to change its rates and reconcile its fuel costs. The primary contested issue regarding the proposed increase involves the portion of SWEPCO's share of the costs of the Turk coal plant in Hempstead, Arkansas that are allocated to Texas.

SWEPCO's application sought a total-company revenue requirement of \$1.033 billion, exclusive of fuel revenues. The requested Texas retail revenue requirement exclusive of fuel revenues was \$329 million, which reflected an increase in annual Texas retail revenues of \$83.37 million over its adjusted test-year revenues.¹ The increase primarily consists of the inclusion of the newly constructed Turk coal plant and Stall gas plant. For the fuel reconciliation period from April 1, 2009 through December 31, 2011, SWEPCO sought to reconcile a cumulative fuel under-recovery balance of \$3,936,492, including interest, and proposed no surcharge. SWEPCO's reconciliation included proposed revisions to Dolet Hills Lignite Company benchmark price.

The State Office of Administrative Hearings' administrative law judges (ALJs) issued a proposal for decision on May 20, 2013. The ALJs' recommended approval of the application, with certain adjustments. Regarding the Turk plant, the ALJs recommended the disallowance of all Turk costs over approximately \$934 million as being imprudently incurred in continuing construction after June 2010. The ALJs further recommended that approximately \$260 million be allowed for the estimated costs to retrofit the Welsh Unit 2 coal plant that SWEPCO should have undertaken instead of completing the Turk plant. However, the ALJs recommended in the

¹ Rebuttal Testimony of Jennifer L. Jackson, SWEPCO Ex. 88, JLJ-1R at 2.

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OPEBs

224. It is reasonable to base post-retirement benefits other than pensions, also known as OPEBs, in SWEPCO's cost of service upon the cost of \$5,928,523 on a total Company basis calculated in the 2012 actuarial report prepared in accordance with FAS 106.

Post-Employment Benefits

225. It is reasonable to base the postemployment benefit cost, negative \$947,747, on a total Company basis that is calculated in the 2012 actuarial report prepared in accordance with FAS 112.
226. In arriving at the adjustment to postemployment cost included in the adjusted test-year expenses it is appropriate to apply the expense ratio of 71.3% to the differential between the postemployment cost calculated in the 2012 actuarial report and the postemployment cost calculated in the 2011 actuarial report.

Supplemental Retirement Plan Expense

227. SWEPCO's non-qualified executive retirement benefits in the amount of \$191,007 are not reasonable or necessary to provide utility service to the public, not in the public interest, and should not be included in SWEPCO's cost of service.

Federal Income Tax and Consolidated Tax Savings Adjustment [PO Issue 23]

228. SWEPCO is a member of an AEP affiliated group that is eligible to file a consolidated tax return.
229. SWEPCO files a consolidated tax return.
230. Pursuant to PURA § 36.060(a) as amended by SB 1364, SWEPCO should not make a consolidated tax savings adjustment in this proceeding.
231. DELETED.

Storm Amortization [PO Issue 15]

232. In SWEPCO's recent base rate case, *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 37364, Final Order (April 16, 2010), the Commission approved recovery of a storm regulatory asset of \$3.6 million, to be amortized over three years or \$100,000 per month. Thus, beginning in

239. The monitoring of legislation is a Commission-recognized reasonable and necessary business expense to ensure that SWEPCO is properly positioned to react to and comply with legislation.

Injuries and Damages Expense

240. In the test year, SWEPCO incurred \$4,540,265 as injuries and damages expense.
241. The test-year amount was substantially in excess of the injuries and damages expenses incurred by SWEPCO in the three preceding years.
242. It is reasonable to adjust the test-year amount by a \$550,000 reduction, which is the amount the test year exceeds the average of the expense in the three previous years.

Office Supplies Expense

243. The office supplies expenses incurred by SWEPCO were properly included in Account 921 and are part of the reasonable and necessary cost of doing business in the utility industry.

Temporary Labor

244. SWEPCO's temporary labor costs of \$169,136 are reasonable and necessary as test-year operating expenses.

Turk Independent Monitor Costs

245. In its November 9, 2012 Errata filing, SWEPCO removed from its requested cost of service \$337,303 for Turk independent monitor (E3 Consulting) costs that had been inadvertently included in SWEPCO's request. There is no further adjustment to be made.

Separation Costs

246. The AEP system made a payment to Susan Tomasky, former President of AEP Transmission, in connection with her retirement. The payment was accompanied by a release of claims agreement containing, among other items, certain non-solicitation, confidentiality, and cooperation obligations.
247. SWEPCO's portion of the separation payment made to Ms. Tomasky was not an element of SWEPCO's reasonable and necessary test-year operating expenses.

PUC DOCKET NO. 43695
SOAH DOCKET NO. 473-15-1556

APPLICATION OF SOUTHWESTERN § PUBLIC UTILITY COMMISSION
PUBLIC SERVICE COMPANY FOR §
AUTHORITY TO CHANGE RATES § OF TEXAS

ORDER ON REHEARING

This order addresses the application of Southwestern Public Service Company (SPS) for authority to change its Texas retail rates, filed on December 8, 2014. SPS originally sought a \$64.75 million increase to its Texas retail revenue requirement. SPS subsequently reduced its requested increase to \$58.85 million and then further lowered its request to a \$42.07 million increase.¹

A hearing on the merits was held over seven days at the State Office of Administrative Hearings (SOAH). On October 12, 2015, the SOAH administrative law judges (ALJs) filed their proposal for decision (PFD) in which they recommended a Texas retail revenue requirement increase of \$1.2 million. In response to parties' exceptions and replies to the PFD, on November 20, 2015, the SOAH ALJs filed a letter making changes to the PFD, including clarifying that they were recommending a \$14.4 million increase to SPS's Texas retail revenue requirement.

Except as discussed in this order, the Commission adopts the PFD as modified, including findings of fact and conclusions of law. The Commission's decisions result in a Texas retail base-rate revenue requirement of \$509,395,343, which is a decrease of \$4,025,973 from SPS's present Commission-authorized Texas retail base-rate revenue requirement. Finding of Fact 237A is modified to reflect the Commission-authorized decrease to SPS's Texas retail revenue requirement. New findings of fact 19A through 19K are added to reflect issuance of the PFD and filings and events thereafter. The Commission incorporates by reference the abbreviations table provided in the PFD.

¹ Southwestern Public Service Co. (SPS) Initial Brief on the Revenue Requirement (Rev.) at 17 (Jul. 24, 2015); Proposal for Decision (PFD) at 27 (Oct. 12, 2015).

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PUBLIC UTILITY COMMISSION
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III. Operating and Maintenance Expense

A. Payroll Expense – Annual Incentive Plan

SPS's annual incentive plan is an incentive-compensation plan that covers exempt, non-bargaining employees in all states in which Xcel Energy operates. Each employee eligible to participate in the plan has a set of performance objectives. The amount an employee earns under the plan is dependent upon the achievement of specific corporate, business area, and individual performance goals.²⁰ In its requested expense for this plan, SPS removed what it asserted were all costs associated with the financially-based performance objectives. However, AXM advocated that all costs of the program should be disallowed as financially-based incentive compensation and OPUC agreed. Alternatively, OPUC's expert calculated a partial reduction to better reflect that the plan has a financially-based trigger and incents each employee to meet financially-based performance goals. Commission Staff also calculated its own recommended disallowance, reflecting what Commission Staff deemed to be excessive compensation to Xcel employees categorized as executives or grade X, business-area vice presidents or executives. In the PFD, the SOAH ALJs recommended the Commission accept Commission Staff's recommended reduction and reject the disallowances sought by AXM and OPUC.

It is well-established that a utility may not include in its rates the costs of incentives that are tied to financial-performance measures.²¹ The Commission agrees with the SOAH ALJs' characterization of the annual incentive plan as "complicated" and notes that when a utility elects to adopt a compensation plan that involves both financially-based and performance-based metrics, the utility still must show it has removed all aspects of the financially-based goals from its requested expense.²² Based on the testimony of the experts offered by AXM and OPUC, the Commission is not convinced SPS's adjustment fully captured the financial aspects of the annual incentive plan. Yet, SPS has sufficiently demonstrated that some portion of the plan is tied to performance-based objectives and is part of the necessary expense of attracting and retaining

²⁰ SPS Ex. 29, Reed Dir. T. at 26-27.

²¹ *E.g. Application of Entergy Texas, Inc. for Rate Case Expenses Pertaining to PUC Docket No. 39896, Docket No. 40295, Order at 2 (May 21, 2013)* "The Commission has repeatedly ruled that a utility cannot recover the cost of financially-based incentive compensation because financial measures are of more immediate benefit to shareholders and financial measures are not necessary or reasonable to provide utility services."

²² PFD at 86.

qualified Xcel employees. Therefore, removing all the expense of the plan would likewise be improper. Ultimately, the Commission adopts the amount of plan expense that OPUC recommended as an alternative. This amount better reflects that the plan has a financially-based, earnings-per-share trigger and requires Xcel employees to meet metrics that include financial goals, in addition to performance-related goals. Accordingly, the Commission deletes proposed findings of fact 83 through 85 and instead adopts new findings of fact 83A, 83B, 84A, and 85A.

B. Pension and Related Benefits – Stock-Equivalent Plan

Xcel Energy has a stock-equivalent plan that it provides to non-employee members of its board of directors. In its application, SPS included \$163,701 as SPS's allocated expense of this plan. OPUC challenged this expense. In the PFD, the SOAH ALJs recommended the plan's expense should be removed, stating they are not persuaded the expense is a necessary component of SPS's cost of providing electric service.²³

The Commission agrees that the expense associated with Excel Energy's stock-equivalent plan may not be included in SPS's reasonable and necessary expense; however, the Commission reaches this conclusion based upon different analysis.

SPS proved Xcel Energy is legally required to have a board of directors.²⁴ Further, such directors must be adequately compensated. Therefore, SPS's share of the compensation paid to Excel Energy's unaffiliated directors could be reasonable and necessary if properly structured and shown to be an reasonable amount. However, in this proceeding, SPS failed to prove the stock-equivalent plan is not financially-based incentive compensation. Each unit that sets director compensation under the plan has a value equal to one share of Xcel stock, directly aligning the non-employee directors' interests with shareholders'.²⁵ Thus, consistent with its decision in numerous prior base-rate proceedings, the Commission rejects the utility's requested expense. To reflect this decision, the Commission deletes proposed findings of fact 102. Instead, the Commission adopts new findings of fact 102A through 102D.

²³ PFD at 104.

²⁴ SPS Ex. 48, Reed Rebuttal T. at 28. Ms. Reed cites to Section 302A.201, Subd. 1, Minnesota Statutes.

²⁵ OPUC Replies to Exceptions at 16.

employees is not known and measurable. Therefore, this requested adjustment should be denied.

83. [DELETED]

83A. SPS's Annual Incentive Plan includes both financially-based and performance based goals.

83B. Compensation to employees under the Annual Incentive Plan is based in part on an earnings-per-share trigger.

84. [DELETED]

84A. A certain amount of incentives to achieve operational measures is reasonable and necessary to the provision of electric service. However, SPS failed to prove its proposal removed all the costs associated with the financially-based components of the Annual Incentive Plan.

85. [DELETED]

85A. The Office of Public Utility Counsel's alternatively-recommended adjustment to eliminate \$2,604,995 associated with the Annual Incentive Plan, plus corresponding flow through reductions, results in allowable expense for the plan that is reasonable and necessary to the provision of electric service, and should be included in the cost of service.

86. SPS's compensation levels should not be decreased to reflect a post-test-year reduction in the number of SPS and Xcel Energy Services, Inc. (XES) employees because the number of employees is similar to or higher than the test-year number of employees.

87. Because 45% of margins gained from energy trades is allocated to shareholders, and energy traders are eligible for the AIP, SPS's request for recovery of SIP payments to energy traders is unreasonable and not necessary for the provision of electric service. SPS's request for recovery of SIP payments should be denied.

88. SPS's proposed Spot On payments are reasonable and necessary to the provision of electric service, and those expenses should be included in the cost of service.

Pension and Related Benefits

89. SPS requested recovery of \$16,202,277 (total company) of qualified pension expenses based on the test year.

90. SPS's actuarially-determined qualified pension expense for calendar year 2014 was \$14,308,146 (total company).
91. SPS's actuarially-determined level of qualified pension expense for calendar year 2014 is representative of costs that are likely to prevail during the time rates set in this case are in effect. Therefore, \$14,308,146 of qualified pension expense should be included in the cost of service.
92. The \$14,308,146 represents the baseline amount for purposes of § 36.065(b) of the Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (West 2007 & Supp. 2014) (PURA) on a going-forward basis for qualified pension expense.
93. SPS requested recovery of \$14,354,924 (total company) of active health care expense is based on the test-year amount, adjusted for a 7% escalation rate.
94. SPS's actual active health care expense for calendar year 2014 was \$14,117,064 (total company).
95. SPS's actual level of active health and welfare expense for calendar year 2014 is representative of costs that are likely to prevail during the time rates set in this case are in effect. Therefore, \$14,117,064 of active health care expense should be included in the cost of service.
96. SPS requested recovery of \$250,653 (total company) of test year retiree medical expense calculated in accordance with FAS 87 (also known as OPEB).
97. SPS's actuarially determined retiree medical expense for calendar year 2014 was \$173,864 (total company).
98. SPS's actuarially determined level of retiree medical expense for calendar year 2014 is representative of costs that are likely to prevail during the time rates set in this case are in effect. Therefore, \$173,864 of active health care expense should be included in the cost of service.
99. The \$173,864 represents the baseline amount for purposes of PURA § 36.065(b) on a going-forward basis for retiree medical expense.

100. The following amounts of benefit expense (all total company) are reasonable and should be included in the cost of service: \$37,835 for self-insured long-term disability expense calculated in accordance with FAS 112; \$1,147,796 for third-party insured workers' compensation expense; \$2,668,145 for 401(k) matching expense; and \$243,704 for miscellaneous retirement-related costs.
101. SPS requested \$163,701 in Stock Equivalent Plan expenses that serve as compensation paid to the Xcel Energy Inc. (Xcel Energy) Board of Directors.
102. [DELETED]
- 102A. Xcel Energy is required to have a Board of Directors and provides to non-employee members of the Board of Directors compensation with equity shares through a stock equivalent plan.
- 102B. Each unit that sets director compensation under the stock equivalent plan has a value equal to one share of Xcel stock, directly aligning the non-employee directors' interests with shareholders'.
- 102C. SPS failed to meet its burden to prove the stock equivalent plan is not financially-based compensation.
- 102D. SPS's requested expense of \$163,701 for the Stock Equivalent Plan expenses should be denied.
103. SPS has withdrawn its request for recovery of \$3,565 in Xcel Energy executives' benefits.
104. SPS's requested amount of \$634,765 for moving and relocation expenses, as adjusted downward by \$37,984, is reasonable and necessary to attract employees.

Deferred Pension and OPEB Expense Recovery

105. SPS is requesting recovery of \$3,583,510 of deferred pension and OPEB expense.
106. The amount of deferred pension and OPEB expense is reasonable and should be included in SPS's cost of service.
107. It is appropriate to amortize the deferred pension and OPEB expense over a two-year period.

- 136A. Affiliate charges totaling \$203,474 (total company) were made to SPS using multiple six-digit work orders that contained "New Mexico" or locations within New Mexico in their titles. Six-digit work orders are used to directly charge costs to specific Xcel Energy operating companies, but not to specific retail jurisdictions.
- 136B. SPS met its burden to prove the managerial-level work associated with these work orders benefitted Texas retail customers.
- 136C. It would be inconsistent and inequitable to include only a portion of the costs of work orders with Texas in the titles while also wholly excluding the costs of work orders with New Mexico in the title.
- 136D. The affiliate charges, totaling \$203,474 (total company), associated with these work orders are reasonable and necessary expenses and are properly included in setting SPS's base rates.
137. A component of the shared facilities charges SPS incurred from affiliates included the carrying costs associated with those facilities. Because these carrying costs are unnecessary and unreasonable, \$1,564,659 should be removed from SPS's affiliate expense. SPS should also make a corresponding decrease to FERC account 922 of \$1,187,726 in revenue SPS has received related to carrying costs. This results in a net reduction of \$376,933 (total company).
138. SPS agreed to remove \$2,475 in Life Event costs, which were contained in multiple affiliate classes, from its application.
139. SPS agreed to remove a \$104 charge that was due to a timekeeping entry error from its application.
140. All remaining affiliate transactions for which recovery was sought were reasonable and necessary, were allowable, and were charged to SPS at a price no higher than was charged by the supplying affiliate to other affiliates, and the rate charged was a reasonable approximation of the cost of providing the service.

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

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APPLICATION OF SOUTHWESTERN
ELECTRIC POWER COMPANY FOR
AUTHORITY TO CHANGE RATES

§
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§

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY
FILING CLERK
OF TEXAS

ORDER ON REHEARING

This order addresses the application of Southwestern Electric Power Company (SWEPCO) for authority to change its rates, filed on December 16, 2016. SWEPCO originally sought a \$69 million increase to its Texas retail revenue requirement, primarily to reflect investments in environmental controls. However, SWEPCO also proposed a significant modification to the manner in which its transmission costs should be recovered. In addition, SWEPCO sought additional cost recovery for vegetation management, rate-case expenses, and a regulatory asset for certain costs under the Southwest Power Pool's open-access tariff.

A hearing on the merits was held between June 5 and June 15, 2017 at the State Office of Administrative Hearings (SOAH). On September 22, 2017, the SOAH administrative law judges (ALJs) filed their proposal for decision (PFD) in which they recommended a Texas retail revenue requirement increase of approximately \$51 million. The SOAH ALJs rejected SWEPCO's new method to recover transmission costs and recommended granting its requested rate-case expenses, and regulatory asset. In response to parties' exceptions and replies to the PFD, on November 8, 2017, the SOAH ALJs filed a letter making changes to the PFD.

Except as discussed in this order, the Commission adopts the PFD as modified, including findings of fact and conclusions of law. The Commission's decisions result in a Texas retail base-rate revenue requirement of \$369,234,023, which is an increase of \$50,001,133 from SWEPCO's present Commission-authorized Texas retail base-rate revenue requirement. New findings of fact 17A through 17J are added to address the procedural history of this docket after the close of the evidentiary record at SOAH. The Commission incorporates by reference the abbreviations table provided in the PFD.

825
0000021
000001

125. Two other projects were also erroneously classified as distribution plant and should be reclassified to transmission plant: Pittsburg (\$14,712) and Bryan Mills (\$9,213).
126. The total amount of capital investment misclassified as distribution plant should be reclassified as and included in transmission plant. This transmission capital investment incurred during the period January 1, 2012, through June 30, 2016, is used and useful in providing service to the public and reasonable and necessary.
127. Apart from the reclassifications to transmission plant discussed immediately above, the entirety of the distribution investment is used and useful in providing service to the public and reasonable and necessary.

Capitalized Supplemental Executive Retirement Plan

128. Since the end of 2011, the test year for SWEPCO's last base-rate case, SWEPCO identified \$1,363,305 of non-qualified pension expense capitalized to construction work in progress (CWIP) and \$8,721 capitalized to removal work in progress.
129. The capitalized portion of SWEPCO's supplemental-executive-retirement-plan (SERP) payments that are financially based are properly excluded from SWEPCO's rate base because they are not reasonable or necessary to provide utility service to the public, are not in the public interest, and should not be included in SWEPCO's cost of service.
130. SWEPCO's accounting system cannot provide the exact amount of capitalized financial incentives closed to plant in service or the amount remaining in CWIP as of the end of the test year. An appropriate approximation for the amount of capitalized financial incentives included in SWEPCO's requested plant in service balance is the same proportion as the test-year-end balance of completed construction not classified to CWIP, which is 83.17%.
131. \$1,141,151, which is 83.17% of the total SERP invested-capital request, is removed from invested capital.

Capitalized Incentive Compensation

132. Since the end of 2011, the test year for SWEPCO's last base-rate case, the amount of incentive compensation based on financial measures that SWEPCO capitalized to rate base

included \$13,696,685 capitalized to CWIP (added to FERC Account 107) and \$571,079 capitalized to removal work in progress (added to FERC Account 108).

133. The portion of SWEPCO's annual and long-term incentive payments that are capitalized and that are financially-based should be excluded from SWEPCO's rate base because the benefits of such payments inure most immediately and predominantly to SWEPCO's shareholders, rather than its electric customers.
134. SWEPCO's accounting system cannot provide the exact amount of capitalized financial incentives closed to plant in service or the amount remaining in CWIP as of the end of the test year. An appropriate approximation for the amount of capitalized financial incentives included in SWEPCO's requested plant in service balance is the same proportion as the test year-end balance of completed construction not classified to CWIP, which is 83.17%.
135. Therefore, 83.17% of the capitalized amounts are removed: \$11,391,898 from plant in service and \$474,982 from removal work in progress, with the remainder to remain in the CWIP balance.

Dolet Hills Lignite Target Inventory Level

136. The factors that influence planned inventory levels include the probability of interruptions of the fuel supply, how long such interruptions may last, and how much fuel is necessary to provide for these contingencies.
137. A 45-day-inventory target for Dolet Hills plant has been in use for many years. It was presented by SWEPCO in a previous, settled rate case, *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 37364 (Apr. 16, 2010), which was SWEPCO's first request for a change in base rates since the Dolet Hills plant went into operation. A 45-day target was also proposed in Docket No. 40443, SWEPCO's last base-rate case, where its use was unchallenged and was accepted by the Commission. *Application of Southwestern Electric Power Company for Authority to Change Rates and Reconcile Fuel Costs*, Docket No. 40443 (Mar. 6, 2014).
138. Historic inventory levels for Dolet Hills are in line with a target inventory of 45 days.

Distribution Plant

185. It is reasonable to apply an R3.0-70 Iowa-curve-life combination for FERC Account 361–
Structures & Improvements.
186. It is reasonable to apply an S0.5-55 Iowa-curve-life combination for FERC Account 362–
Distribution Substation Equipment.
187. It is reasonable to apply an R0.5-55 Iowa-curve-life combination for FERC Account 364–
Distribution Poles.
188. It is reasonable to apply an R1.5-50 Iowa-curve-life combination for FERC Account 367–
Distribution Underground Conductor.
189. It is reasonable to apply an L0.0-50 Iowa-curve-life combination for FERC Account 368–
Distribution Line Transformers.

General Plant

190. It is reasonable to apply an L0.5-55 Iowa-curve-life combination for general plant.

Payroll Adjustment

191. SWEPCO's proposed base payroll is based on the salaries of its employees for the final pay period at the end of the test year (annualization) plus post-test-year test-year pay increase of 3.5% for which all increases were approved and then implemented by April 2017.
192. Because these payroll increases were awarded in 2017, they represent appropriate known and measurable changes.
193. SWEPCO's calculation in this proceeding matches the adjustment approved in Docket No. 40443, which is to annualize salaries of employees on the payroll at the end of the test year and then apply a known and measurable increase that was awarded post-test year.

Annual Incentive Compensation

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

195. SWEPCO's annual incentive plan includes both financially-based and performance-based goals.
196. Compensation to employees under the annual incentive plan is based in part on an earnings-per-share trigger.
197. A certain amount of incentives to achieve operational measures is reasonable and necessary to the provision of electric service. However, SWEPCO failed to prove that its proposal removed all of the costs associated with the financially-based components of the annual incentive plan.
198. Staff's recommended adjustment to eliminate \$2,277,726 associated with the annual incentive plan, plus corresponding flow through reductions, results in allowable expense for the plan that is reasonable and necessary to the provision of electric service, and should be included in the cost of service.

Long-Term Incentive Compensation

199. SWEPCO removed the entirety of its financially based long-term incentive compensation in the amount of \$2,140,880. However, the \$359,705 of restricted stock units are not based on financial measures as are other SWEPCO or AEP incentive plans and are appropriate to include in SWEPCO's rates.

Financial Counseling Expense

200. The \$4,071 related to executive perquisites should not be included in rates because they provide no benefit to ratepayers and are not reasonable or necessary for the provision of electric service.

Supplemental Executive Retirement

201. SWEPCO requests recovery of \$99,654 in directly incurred non-qualified pension expense and an additional \$310,422 that was allocated from AEP Services Company (AEPSC) (\$410,076 total).
202. SWEPCO provides non-qualified supplemental executive retirement plans for highly compensated individuals such as key managerial employees and executives that, because of limitations imposed under the Internal Revenue Code, would otherwise not receive retirement benefits on their annual compensation over \$270,000 per year.

203. SWEPCO's non-qualified supplemental executive retirement plans are discretionary costs designed to attract, retain, and reward highly compensated employees whose interests are more closely aligned with those of the shareholders than the customers.
204. SWEPCO's requested non-qualified supplemental executive retirement benefits are not reasonable or necessary to provide utility service to the public, are not in the public interest, and should not be included in SWEPCO's cost of service.

Pensions and Other Post-Retirement Benefits

205. The amount requested by the company for pension and OPEB (including post-retirement benefits and post-employment benefits) was determined by actuarial or other similar studies in accordance with generally accepted accounting principles. With the exception of SERP, SWEPCO's pension and OPEB costs were not challenged.

Distribution Plant Maintenance

206. SWEPCO's proposal to recover distribution O&M base-rate expenses of \$9.3 million total, consisting of the test-year amount of \$7.3 million and an additional amount of \$2 million, is reasonable.
207. The additional amount of distribution O&M expense in the amount of \$2 million is reasonable and necessary to carry forward SWEPCO's vegetation-management program to improve overall reliability on targeted circuits and decrease outages caused by trees.
208. SWEPCO commits to spending the entirety of the increased amounts of \$2 million for distribution O&M expense solely on vegetation management.
209. It is reasonable to open a compliance docket where SWEPCO will file regular reports indicating how it is spending the additional amount of vegetation-management expense allowed in its cost of service, and will also report on the effect such additional spending is having on its distribution outage rates.

Affiliate Charges

210. SWEPCO adjusted the lead-lag study to include an increase of \$73,188 to the interest expense based on a change in the date on which AEPSC pays invoices.
211. SWEPCO agreed to reverse the \$73,188 adjustment to the lead-lag study.

212. A component of the shared-facilities charges SWEPCO incurred from affiliates included the carrying costs associated with those facilities. Because these carrying costs are unnecessary and unreasonable, \$795,480 should be removed from SWEPCO's affiliate expense. SWEPCO should also make a corresponding decrease to FERC Account 922 of \$509,723 in revenue that SWEPCO has received related to carrying costs. This results in a net reduction of \$285,757, on a total-company basis.
213. All remaining affiliate transactions for which recovery was sought were reasonable and necessary, were allowable, and were charged to SWEPCO at a price no higher than was charged by the supplying affiliate to other affiliates, and the rate charged was a reasonable approximation of the cost of providing the service.

Injuries and Damages

214. In the test year, SWEPCO incurred \$5,327,950 as injuries and damages expense.
215. In the test year, SWEPCO incurred \$1,255,000 as litigation expense.
216. The test-year amount for litigation was substantially in excess of the litigation expenses incurred by SWEPCO in the three preceding years.
217. It is reasonable to adjust the test-year amount by a \$837,667 reduction, which is the amount the test-year litigation expense exceeds the average litigation expense in the three previous years.

Directors'/Officers' Liability Insurance

218. The existence of directors' and officers' (D&O) liability insurance improves the utility's ability to attract and retain qualified directors and officers and enables them to make decisions without fear of personal liability.
219. The Commission has already found D&O liability insurance to be an element of SWEPCO's reasonable and necessary operating expenses. *Application of Southwestern Electric Power Company for Authority to Change Rates and Reconcile Fuel Costs*, Docket No. 40443, Order on Rehearing, Finding of Fact Nos. 236, 237 (Mar. 6, 2014).

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter J. COSTS, RATES, AND TARIFFS.

DIVISION 1. RETAIL RATES.

§25.247. Rate Review Schedule.

- (a) **Application.** This section applies to investor-owned electric utilities and non-investor-owned transmission service providers operating inside the Electric Reliability Council of Texas (ERCOT).
- (b) **Filing requirements for investor-owned electric utilities.**
 - (1) Each investor-owned electric utility in the ERCOT region must file for a comprehensive rate review within 48 months of the order setting rates in its most recent comprehensive rate proceeding or other proceeding in which the commission approved a settlement agreement reflecting a rate modification that allowed the electric utility to avoid the filing of such a rate case. For an investor-owned transmission and distribution utility, the filing must include information necessary for the review of both transmission and distribution rates.
 - (2) On a year-to-year basis, the commission shall issue an order extending the filing requirements under paragraph (1) of this subsection by one year if the following conditions are met:
 - (A) for an investor-owned electric utility providing transmission-only service, the utility's most recent earnings monitoring report, as of 180 days before its scheduled filing date established by this section, filed in compliance with commission rules and instructions or as adjusted by the commission to conform with the rules and instructions, shows that it is earning, on a weather-normalized basis using weather data for the most recent ten calendar years, less than 50 basis points above the average of the most recent commission-approved rate of return on equity for each investor-owned transmission-only utility operating in ERCOT; or
 - (B) for an investor-owned transmission and distribution utility, the utility's most recent earnings monitoring report, as of 180 days before its scheduled filing date established by this section, filed in compliance with commission rules and instructions or as adjusted by the commission to conform with the rules and instructions, shows that it is earning, on a weather-normalized basis using weather data for the most recent ten calendar years, less than 50 basis points above the average of the most recent commission-approved rate of return on equity for each investor-owned transmission and distribution utility operating in ERCOT with at least 175,000 metered customers.
 - (3) The commission may extend the scheduled filing deadline under paragraphs (1) and (2) of this subsection for good cause shown or because of resource constraints of the commission.
 - (4) An investor-owned electric utility qualifying for an extension under paragraph (2) of this subsection shall submit notice in the same project as the filing of its most recent earnings monitoring report at least 180 days before the fourth anniversary of the order in its most recent comprehensive rate proceeding or other proceeding in which the commission approved a settlement agreement reflecting a rate modification that allowed the electric utility to avoid the filing of such a rate case.
 - (5) Nothing in this section limits the commission's authority to initiate a rate proceeding at any time under this title on the basis of other criteria that the commission determines are in the public interest, including but not limited to the information provided in an investor-owned electric utility's earnings monitoring report.
- (c) **Transition issues for investor-owned electric utilities.**
 - (1) If an investor-owned electric utility has a comprehensive rate proceeding pending on the effective date of this rule, the electric utility is required to file, after the commission's final order in that pending proceeding, a comprehensive rate proceeding in accordance with

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter J. COSTS, RATES, AND TARIFFS.

DIVISION 1. RETAIL RATES.

subsection (b) of this section. If the pending proceeding is withdrawn, dismissed, or otherwise resolved without a final order, the investor-owned electric utility shall be subject to the transition timelines in paragraph (2) of this subsection unless the commission orders otherwise.

- (2) All investor-owned electric utilities shall make their initial filings under subsection (b) of this section on or before the later of:

- (A) 48 months from the order in the investor-owned electric utility's last comprehensive rate proceeding or other proceeding in which the commission approved a settlement agreement reflecting a rate modification that allowed the electric utility to avoid the filing of such a rate case; or
- (B) the following dates:

Texas-New Mexico Power Company	August 31, 2018
AEP Texas, Inc.	May 1, 2019
CenterPoint Energy Houston Electric, LLC	July 1, 2019
Wind Energy Transmission Texas, LLC	October 1, 2019
Cross Texas Transmission, LLC	February 3, 2020
Sharyland Utilities, LP and Sharyland Distribution & Transmission Services, LLC	July 1, 2020
Lone Star Transmission, LLC	September 1, 2020
Electric Transmission Texas, LLC	February 1, 2021
Oncor Electric Delivery Company, LLC	October 1, 2021

- (d) **Filing requirements for non-investor-owned transmission service providers.**

- (1) After complying with applicable provisions under subsection (e) of this section, and on an ongoing basis thereafter, each non-investor-owned transmission service provider is required to submit a complete application for either a comprehensive transmission cost of service review under §25.192(g) of this title (relating to Transmission Service Rates) or an interim update under §25.192(h) of this title within:

- (a) 48 months of the date of the provider's order for its most recently approved change in transmission service rates under §25.192 of this title if the provider's approved wholesale transmission service revenue requirement is equal to or greater than one percent of the amount of the total ERCOT wholesale transmission charges determined by the commission in the most recent annual update, as of the date of the provider's order, of the ERCOT four coincident peak (4CP) demand in accordance with §25.192(b) of this title; or

CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.

Subchapter J. COSTS, RATES, AND TARIFFS.

DIVISION 1. RETAIL RATES.

- (b) 96 months of the date of the provider's order for its most recently approved change in transmission service rates under §25.192 of this title if the provider's approved wholesale transmission service revenue requirement is less than one percent of the amount of the total ERCOT wholesale transmission charges determined by the commission in the most recent annual update, as of the date of the provider's order, of the ERCOT four coincident peak (4CP) demand in accordance with §25.192(b) of this title.
- (2) Nothing in this section limits the commission's authority to initiate a rate proceeding at any time under this title on the basis of other criteria that the commission determines are in the public interest, including but not limited to the information provided in a non-investor-owned transmission service provider's earnings monitoring report.
- (e) **Transition period for filings by non-investor-owned transmission service providers.** As of the effective date of this subsection, for a non-investor-owned transmission service provider that has not since January 1, 2017, had a commission-approved change to its transmission service rates under §25.192 of this title or does not have a rate proceeding pending under §25.192 of this title, the following deadlines apply for submitting a complete application for either a comprehensive transmission cost of service review under §25.192(g) of this title or a complete application for an interim update under §25.192(h) of this title:

Date of Commission Order in Non-Investor-Owned Transmission Service Provider's Last Rate Change under §25.192	Filing Deadline for Rate Proceeding under §25.192
Prior to January 1, 2009	One year after effective date of this rule
January 1, 2009 to January 1, 2017	Two years after effective date of this rule

PUBLIC UTILITY COMMISSION OF TEXAS
 INDEX
 CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
 1-A-1 TOTAL COST OF SERVICE BY FUNCTION
 TEST YEAR ENDED 12/31/2018
 DOCKET NUMBER PENDING ASSIGNMENT
 SPONSOR: K. COX, VTD

(THOUSANDS OF DOLLARS)

Line No	Description	Schedule	Test Year Total Electric	Company Adjustments	Company Total Request	Transmission Function (TRAN)	Distribution Function (DIST)	Marketing Function (MKT)	T&I/ Customer Service (TICS)	Total TX-Real
1	Operating and Maintenance Expenses	II-D-2	1,442,018	(179,033)	1,162,985	653,125	407,018	41,477	61,366	1,162,986
2	Depreciation and Amortization Expenses	II-B-1	378,871	(27,641)	351,230	79,657	243,697	17,718	10,157	351,230
3	Taxes Other Than Federal Income Tax	II-B-2	268,891	9,407	278,298	43,928	228,381	3,981	2,008	278,298
4	Federal Income Tax	II-B-3	71,534	3,191	76,725	27,288	46,467	1,490	1,480	76,724
5	Return on Rate Base	II-B	476,266	2,791	479,057	174,967	286,623	11,749	5,718	479,058
6										
7										
8	TOTAL COST OF SERVICE		2,637,580	(289,283)	2,348,295	978,965	1,212,186	76,415	88,730	2,348,296
9										
10	Decommissioning Expense [1]	II-C	-	-	-	-	-	-	-	-
11	Other Non-Bypassable Charges [2]		-	-	-	-	-	-	-	-
12	Other Non-Bypassable Charges [2]		-	-	-	-	-	-	-	-
13	Other Revenue	II-E-5	416,689	(350,597)	66,092	36,316	29,688	88	-	66,092
14										
15										
16	TOTAL ADJUSTED REVENUE REQUIREMENT		2,220,891	61,312	2,282,203	943,649	1,182,498	76,337	88,730	2,282,204

(1) Centerpoint Energy Houston Electric, LLC does not own or have a beneficial interest in a nuclear-fueled generation unit.
 (2) See Schedule I-A for Other Non-Bypassable Charges

INDEX

PUBLIC UTILITY COMMISSION OF TEXAS
CENTROPOINT ENERGY HOUSTON ELECTRIC, LLC
U.S. SUMMARY OF RATE BASE
TEST YEAR ENDED 12/31/2015
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: E. COLVIN
(THOUSANDS OF DOLLARS)

Line No.	Description	Reference Schedule	Test Year Total Expense	Company Adjustment	Company Total Request	TRAN	DIST	MET	TDCS	Total TX Rate
1	Original Cost of Plant	II-B-1	10,673,389	(127,648)	10,545,743	3,488,890	6,699,204	289,790	67,860	10,545,743
2	Current Plant	II-B-2	493,684	(5,453)	488,125	81,130	359,015	25,240	23,699	488,125
3	Communication Equipment	II-B-3	541,287	(61,350)	485,947	95,200	310,994	33,840	45,913	485,947
4										
5	Total Plant		11,714,374	(194,451)	11,519,923	3,665,220	7,369,324	348,870	137,471	11,519,923
6										
7	Minor, Accumulated Depreciation	II-B-5	4,014,816	(210,823)	3,804,013	906,729	2,682,715	156,630	57,918	3,804,013
8										
9	Net Plant, In Service		7,499,459	17,264	7,516,723	3,598,491	4,694,592	122,230	79,593	7,516,723
10										
11	Other Rate Base Items:									
12	CWIP	II-B-4	427,251	(427,251)	-	-	-	-	-	-
13	Plant Held for Future Use	II-B-6	11,382	(102,461)	1,131	189	826	48	59	1,121
14	Accumulated Provisions	II-B-7	(6,591)	(39)	(6,590)	(3,964)	(2,448)	(240)	(318)	(6,970)
15	Accumulated Deferred Federal Income Taxes	II-B-7	(1,022,136)	128,971	(893,165)	(249,663)	(611,703)	(24,833)	(7,166)	(893,165)
16	Materials & Supplies	II-B-8	109,729	-	109,729	43,595	61,915	2,219	-	109,729
17	Cash Working Capital	II-B-9	72,877	(46,714)	26,163	4,521	17,276	1,761	2,605	26,163
18	Prepayments	II-B-10	17,994	172,386	190,380	39,867	138,552	737	11,124	190,380
19	Other Rate Base Items									
20	Customer Deposits & Advances	II-B-11	(17,870)	(417)	(18,287)	(417)	(509,401)	(21,834)	(12,789)	(617)
21	Regulatory Liabilities	II-B-11	(1,046,387)	260,246	(786,041)	(241,967)	(96,970)	8,757	4,313	(786,041)
22	Regulatory Assets	II-B-12	199,295	(74,384)	124,911	14,872	96,970	-	-	124,911
23	Total Other Rate Base Items		(1,354,790)	29,556	(1,325,234)	(279,867)	(106,013)	(13,327)	(8,173)	(1,325,234)
24										
25	TOTAL RATE BASE		6,144,723	37,270	6,182,513	3,317,624	3,879,326	188,983	77,379	6,182,513
26										
27										
28	Rate of Return	II-C-1.1	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%
29										
30	RETURN ON RATE BASE		479,264	2,791	477,859	174,967	286,033	11,749	5,718	479,264

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTRO-POINT ENERGY MOUNTAIN ELECTRIC, LLC
II-B-1 RATE BASE ACCOUNTS - PLANT
TEST YEAR ENDING 12/31/2015
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. CHILVIN
(THOUSANDS OF DOLLARS)

Line No.	FENC Account	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known and Measurable	4 Company Total Electric
II-B-1							
1	Intangible Plant - Gross						
2	301.01 Organization						
3	302.01 Franchise & Concessions						
4	303.01 Mile Intangible Plant - NGT S/W						
5	303.02 Mile Intangible Plant - NGT S/W			294,740		(19,029)	255,711
6							
7				294,740		(19,029)	255,711
8							
II-B-1							
9	Transmission Plant - Gross						
10	350.01 Land and Land Fees			49,328			49,328
11	350.02 Land and Land Rights			100,966			100,966
12	352.01 Structures and Improvements			202,222			202,222
13	353.01 Station Equipment			993,631			993,631
14	354.01 Towers and Poles			844,560			844,560
15	355.01 Poles, Towers, and Poles			124,989			124,989
16	356.01 Overhead Conductors and Devices			612,374			612,374
17	357.01 Underground Conductors and Devices			38,060			38,060
18	358.01 Underground Conductors and Devices			14,661			14,661
19	359.01 Roads and Trails			81,333			81,333
20							
21				3,067,364			3,067,364
22							
II-B-1							
23	Distribution Plant - Gross						
24	360.01 Land and Land Fees			31,120			31,120
25	360.02 Land and Land Rights			2,211		(1,035)	1,176
26	361.01 Structures and Improvements			105,322			105,322
27	362.01 Station Equipment			1,210,967			1,210,967
28	364.01 Poles, Towers and Poles			833,783			833,783
29	365.01 Overhead Conductors and Devices			1,006,923			1,006,923
30	366.01 Underground Conductors and Devices			388,158		(51)	388,107
31	367.01 Underground Conductors and Devices			1,066,790		(693)	1,066,097
32	368.01 Line Transformers			1,376,433		(339)	1,376,094
33	369.01 Services			200,437			200,437
34	370.01 Meters			78,336			78,336
35	370.03 Automated Meters			775,726		(67,939)	707,787
36	372.01 Street Lighting and Signal Systems			604,289			604,289
37	372.02 Security Lighting			13,209		1	13,210
38	374.01 Security Lighting			1		(1)	
39	374.03 Asset Retirement Cost Per Plant			18,560		(18,560)	
40							
41				7,316,345		(88,617)	7,227,728
42							
II-B-1							
43	TOTAL INT. PLANT-GROSS			18,673,389		(127,646)	18,545,743
44	TOTAL TRN. DIST PLANT-GROSS			18,278,649		(88,617)	18,190,032

PUBLIC UTILITY COMMISSION OF TEXAS
CENTRALPOINT ENERGY HOUSTON ELECTRIC, LLC
II-B-1 RATE MAKE ACCOUNTS - PLANT
TEST YEAR ENDED 12/31/2018
POCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

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Line	FISC Account	Description	Reference Schedule	FF #	Functionalization Factor Name	Allocation to Texas	PLANT	DIST	MAINT	TDCS	Total
1	Intangible Plant - Gross		II-B-1	1	DA	-	-	-	-	-	-
2	201.01	Organization	II-B-1	1	DA	-	-	-	-	-	-
3	202.01	Franchise & Contracts	II-B-1	1	DA	-	-	-	-	-	-
4	203.01	Intangible Plant - NAF S/V	II-B-1	1	DA	-	-	-	-	-	-
5	303.02	Intangible Plant - NAF S/V	II-B-1	23	E30302	235,711	4,413	83,701	99,467	67,860	235,711
6											
7											
8											
9	Transmission Plant - Gross		II-B-1	25	E35001	49,328	48,522	806	-	-	49,328
10	350.01	Land and Land Right	II-B-1	26	E35002	100,786	100,946	-	-	-	100,946
11	350.02	Structure and Improvements	II-B-1	27	E35101	203,232	195,207	7,015	-	-	200,222
12	352.01	Station Equipment	II-B-1	28	E35301	993,631	916,042	77,609	-	-	993,631
13	353.01	Towers and Poles	II-B-1	29	E35401	644,566	644,560	-	-	-	644,560
14	354.01	Towers and Poles	II-B-1	30	E35501	124,989	124,989	-	-	-	124,989
15	355.01	Poles, Towers, and Poles	II-B-1	31	E35601	612,314	612,314	-	-	-	612,314
16	356.01	Overhead Conductors and Devices	II-B-1	32	E35701	38,060	38,060	-	-	-	38,060
17	357.01	Underground Conductors and Devices	II-B-1	33	E35801	14,661	14,661	-	-	-	14,661
18	358.01	Underground Conductors and Devices	II-B-1	34	E35901	81,333	81,333	-	-	-	81,333
19	359.01	Roads and Trails	II-B-1								
20											
21											
22											
23	Distribution Plant - Gross		II-B-1	35	E36001	31,120	18,026	13,094	-	-	31,120
24	360.01	Land and Land Right	II-B-1	36	E36002	1,176	61	1,115	-	-	1,176
25	360.02	Structure and Improvements	II-B-1	37	E36101	103,322	36,465	66,857	-	-	103,322
26	361.01	Station Equipment	II-B-1	38	E36201	1,210,967	432,923	738,044	-	-	1,210,967
27	362.01	Poles, Towers and Poles	II-B-1	39	E36401	833,783	-	833,783	-	-	833,783
28	363.01	Overhead Conductors and Devices	II-B-1	40	E36501	1,006,923	-	1,006,923	-	-	1,006,923
29	364.01	Underground Conductors and Devices	II-B-1	41	E36601	588,107	-	588,107	-	-	588,107
30	365.01	Underground Conductors and Devices	II-B-1	42	E36701	1,066,097	-	1,066,097	-	-	1,066,097
31	366.01	Underground Conductors and Devices	II-B-1	43	E36801	1,376,114	-	1,376,114	-	-	1,376,114
32	367.01	Service	II-B-1	44	E36901	200,437	-	200,437	-	-	200,437
33	368.01	Meters	II-B-1	45	E37001	78,335	-	78,335	-	-	78,335
34	370.01	Automated Meters	II-B-1	46	E37003	111,787	-	111,787	-	-	111,787
35	370.03	Street Lighting and Signal Systems	II-B-1	47	E37301	604,289	-	604,289	-	-	604,289
36	371.01	Security Lighting	II-B-1	47	E37301	13,210	-	13,210	-	-	13,210
37	373.02	Security Lighting	II-B-1	47	E37301	13,210	-	13,210	-	-	13,210
38	374.01	Asset Retirement Cost Dist Plant	II-B-1	1	DA	-	-	-	-	-	-
39	374.03										
40											
41											
42											
43											
44	TOTAL INT. PLANT COST PLANT-CROSS		II-B-1			10,545,743	3,488,798	6,699,344	2,287,770	67,860	10,545,743
45	TOTAL PLANT, DIST PLANT-CROSS		II-B-1			10,294,803	3,484,406	6,616,001	199,113	-	10,294,803

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-B-1 RATE BASE ACCOUNTS - PLANT - TRANSMISSION PROJECT COSTS
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER FINDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

Line No.	Transmission Project	Project Number	CCN Docket No.	Line Energized Date	FERC Account	1 Project Total	2 TRAN Amount	3 DIST Amount	4 Company Total Electric
1	ZENITH 138KV PROJECT	730	38307	4/30/2012	354.01	-	2,920	-	2,920
2	ZENITH 138KV PROJECT	730	38307	4/30/2012	355.01	-	24	-	24
3	ZENITH 138KV PROJECT	730	38307	4/30/2012	356.01	-	2,248	-	2,248
4	ZENITH 138KV PROJECT	730	38307	4/30/2012	359.01	-	1,222	-	1,222
5	ZENITH 138KV PROJECT	730	38307	4/30/2012		6,414	-	-	-
6	138KV SPRINGWOODS PROJECT	768	40049	4/23/2014	354.01	-	5,066	-	5,066
7	138KV SPRINGWOODS PROJECT	768	40049	4/23/2014	356.01	-	1,580	-	1,580
8	138KV SPRINGWOODS PROJECT	768	40049	4/23/2014	360.01	-	1,948	-	1,948
9	138KV SPRINGWOODS PROJECT	768	40049	4/23/2014		8,593	-	-	-
10	138KV OYSTER CREEK PROJECT	834	41749	7/2/2017	356.01	-	1,985	-	1,985
11	138KV OYSTER CREEK PROJECT	834	41749	7/2/2017	354.01	-	12,641	-	12,641
12	138KV OYSTER CREEK PROJECT	834	41749	7/2/2017	355.01	-	679	-	679
13	138KV OYSTER CREEK PROJECT	834	41749	7/2/2017		15,305	-	-	-
14	38KV ZENITH-FRANZ PROJECT	864	44242	5/11/2017	354.01	-	9,022	-	9,022
15	38KV ZENITH-FRANZ PROJECT	864	44242	5/11/2017	355.01	-	165	-	165
16	38KV ZENITH-FRANZ PROJECT	864	44242	5/11/2017	356.01	-	1,640	-	1,640
17	38KV ZENITH-FRANZ PROJECT	864	44242	5/11/2017		10,827	-	-	-
18	BRAZOS VALLEY CONNECTION	872	44547	3/29/2018	350.01	-	14,134	-	14,134
19	BRAZOS VALLEY CONNECTION	872	44547	3/29/2018	350.02	-	52,654	-	52,654
20	BRAZOS VALLEY CONNECTION	872	44547	3/29/2018	354.01	-	148,725	-	148,725
21	BRAZOS VALLEY CONNECTION	872	44547	3/29/2018	356.01	-	35,963	-	35,963
22	BRAZOS VALLEY CONNECTION	872	44547	3/29/2018	359.01	-	30,833	-	30,833
23	BRAZOS VALLEY CONNECTION	872	44547	3/29/2018	364.01	-	-	60	60
24	BRAZOS VALLEY CONNECTION	872	44547	3/29/2018	365.01	-	-	37	37
25	BRAZOS VALLEY CONNECTION	872	44547	3/29/2018	368.01	-	-	10	10
26	BRAZOS VALLEY CONNECTION	872	44547	3/29/2018	369.01	-	-	1	1
27	BRAZOS VALLEY CONNECTION	872	44547	3/29/2018		282,417	-	-	-
28									
29	TOTAL CCN TRANSMISSION PROJECTS					323,556	323,449	108	323,557

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-B-2 RATE BASE ACCOUNTS - GENERAL PLANT
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

INDEX

Line No.	FERC Account	Description	Reference Schedule	1	2	3	4
				Total Company	Non-Regulated or Non-Electric	Known and Measurable Changes	Company Total Electric
1		General Plant - Gross	II-B-2				
2	389.01	Land and Land Fees		27,581	-	-	27,581
3	389.02	Land and Land Rights		154	-	-	154
4	390.01	Structures and Improvements		242,413	-	-	242,413
5	391.01	Office Furniture and Equipment		11,135	-	-	11,135
6	392.01	Transportation Equipment		136,383	-	(142)	136,241
7	393.01	Stores Equipment		210	-	-	210
8	394.01	Tools, Shop and Garage Equipment		15,431	-	(56)	15,375
9	395.01	Laboratory Equipment		22,023	-	(819)	21,204
10	396.01	Power Operated Equipment		23,947	-	-	23,947
11							
12		Subtotal		479,277	-	(1,017)	478,260
13							
14		General Plant - Miscellaneous					
15	398.01	Miscellaneous Equipment		10,865	-	-	10,865
16	399.11	Asset Retirement Cost Gen Plant		3,546	-	(3,546)	-
17							
18		Subtotal		14,411	-	(3,546)	10,865
19							
20		TOTAL GENERAL PLANT GROSS	II-B-2	493,688	-	(4,563)	489,125

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-B-2 RATE BASE ACCOUNTS - GENERAL PLANT
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

			5	6	7	8	9	10	11	12
Line No.	FERC Account	Description	FF #	Functionalization Factor Name	Allocation to Texas	TRAN	DIST	MET	TDCS	Total
1		General Plant - Gross								
2	389.01	Land and Land Fees	49	E38901	27,581	927	26,332	259	63	27,581
3	389.02	Land and Land Rights	50	E38902	154	0	140	1	12	154
4	390.01	Structures and Improvements	51	E39001	242,413	30,118	207,859	2,745	1,691	242,413
5	391.01	Office Furniture and Equipment	52	E39101	11,135	878	7,861	99	2,297	11,135
6	392.01	Transportation Equipment	53	E39201	136,241	36,025	81,764	4,935	13,517	136,241
7	393.01	Stores Equipment	54	E39301	210	62	145	3	-	210
8	394.01	Tools, Shop and Garage Equipment	55	E39401	15,375	123	15,070	182	-	15,375
9	395.01	Laboratory Equipment	56	E39501	21,204	-	3,711	16,771	723	21,204
10	396.01	Power Operated Equipment	57	E39601	23,947	11,137	8,609	174	4,028	23,947
11										
12		Subtotal			478,260	79,270	351,491	25,168	22,331	478,260
13										
14		General Plant - Miscellaneous								
15	398.01	Miscellaneous Equipment	60	E39801	10,865	1,860	7,565	72	1,368	10,865
16	399.11	Asset Retirement Cost Gen Plant	1	DA	-	-	-	-	-	-
17										
18		Subtotal			10,865	1,860	7,565	72	1,368	10,865
19										
20		TOTAL GENERAL PLANT GROSS			489,125	81,130	359,056	25,240	23,699	489,125

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-B-3 RATE BASE ACCOUNTS - COMMUNICATION EQUIP.
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

INDEX

Line No.	FERC Account	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known and Measurable Changes	4 Company Total Electric
1		Communication Equipment - Gross	II-B-3				
2	397.01	Communication Equipment		377,223	-	(38,220)	339,003
3	397.02	Computer Equipment		170,074	-	(23,130)	146,944
4							
5							
6							
7							
8							
9							
10							
11							
12		Subtotal		547,297	-	(61,350)	485,947
13							
14		TOTAL COMMUNICATION EQUIPMENT	II-B-3	547,297	-	(61,350)	485,947
15							
16		TOTAL GENERAL PLANT GROSS INCL. COMM. EQUIP.	II-B-2 - II-B-3	1,040,985	-	(65,913)	975,072
17							
18		TOTAL PLANT IN SERVICE-GROSS (INCL. INTANGIBLES)	II-B-1 - II-B-3	11,714,374	-	(193,559)	11,520,815
19							
20		TOTAL PLANT IN SERVICE-GROSS (EXCL. INTANGIBLES)	II-B-1 - II-B-3	11,419,634	-	(154,530)	11,265,104

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-B-3 RATE BASE ACCOUNTS - COMMUNICATION EQUIP.
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

Line No.	FERC Account	Description	5 FF #	6 Functionalization Factor Name	7 Allocation to Texas	8 TRAN	9 DIST	10 MET	11 TDCS	12 Total
1		Communication Equipment - Gross								
2	397.01	Communication Equipment	58	E39701	339,003	67,902	214,216	24,137	32,748	339,003
3	397.02	Computer Equipment	59	E39702	146,944	27,297	96,778	9,703	13,165	146,944
4										
5										
6										
7										
8										
9										
10										
11										
12		Subtotal			485,947	95,200	310,994	33,840	45,913	485,947
13										
14		TOTAL COMMUNICATION EQUIPMENT			485,947	95,200	310,994	33,840	45,913	485,947
15										
16		TOTAL GENERAL PLANT GROSS INCLUDE COMM. EQUIP.			975,072	176,330	670,051	59,080	69,611	975,072
17										
18		TOTAL PLANT IN SERVICE-GROSS (INCL. INTANGIBLES)			11,520,815	3,665,220	7,369,254	348,870	137,471	11,520,815
19										
20		TOTAL PLANT IN SERVICE-GROSS (EXCL. INTANGIBLES)			11,265,104	3,660,736	7,285,553	249,203	69,611	11,265,104

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTROPOINT INTER OF HOUSTON ELECTRIC, LLC
E-34 RATE BASE ACCOUNTS REPLICATION - PLANT
FISCAL YEAR ENDED 12/31/2018
DOCUMENT NUMBER PENDING APPROVANT
SUSANNE K. COLVIN/D. WATSON
THOUSANDS OF DOLLARS

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-B-5a RESERVE REALLOCATION ADJUSTMENT
TEST YEAR ENDED 12/31/2015
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: E. COLVIN/D. WATSON
(THOUSANDS OF DOLLARS)

Line No.	FERC Account	Description	1 Book Reserve at 12/31/17	2 Less AMS	3 Less Retirements	4 Adjusted Book Reserve at 12/31/17	5 Calculated Reserve at 12/31/17	6 Reserve Reallocation
1	Intangibles							
2	E30301	MISC INT PLANT - MF SW	(89)			(89)	0	(89)
3	E30302	MISC INT PLANT - NMF SW	153,965			153,965	153,976	89
4		Subtotal	153,876			153,876	153,976	0
5								
6	Transmission Property							
7	E35001	LAND	15			15		15
8	E35002	LAND RIGHTS	19,116			19,116	17,243	1,873
9	E35201	STRUCT. & IMPROVEMTS	15,753			15,753	17,717	(1,964)
10	E35301	STATION EQUIPMENT	165,204			165,204	155,914	9,290
11	E35401	TOWERS & FIXTURES	194,700			194,700	218,550	(23,851)
12	E35501	POLES AND FIXTURES	20,215			20,215	27,285	(7,070)
13	E35601	OH CONDUCTOR/DEVICES	281,529			281,529	258,516	22,613
14	E35701	UNDERGROUND CONDUIT	5,488	0		5,488	6,199	(711)
15	E35801	U/G CONDUCTOR/DEVICES	2,619			2,619	3,292	(673)
16	E35901	ROADS AND TRAILS	10,173			10,173	9,695	478
17		Subtotal	714,812			714,812	714,812	0
18								
19	Distribution Plant Excluding Meters							
20	E36002	LAND RIGHTS	694			694	631	63
21	E36101	STRUCT. & IMPROVEMTS	35,748			35,748	34,649	1,099
22	E36201	STATION EQUIPMENT	325,404			325,404	342,893	(17,488)
23	E36401	POLES, TOWERS, FIXTURE	320,091			320,091	353,356	(33,265)
24	E36501	OH CONDUCTOR DEVICES	418,492			418,492	362,110	56,382
25	E36601	UNDERGROUND CONDUIT	198,401			198,401	200,437	(1,924)
26	E36701	U/G CONDUCTOR/DEVICES	344,292			344,292	344,022	(270)
27	E36801	LINE TRANSFORMERS	451,077			451,077	557,234	(106,157)
28	E36901	SERVICES	114,235			114,235	75,571	38,664
29	E37001	METERS	64,179			64,179	54,425	9,754
30	E37002	ADVANCED METERS	41			41	0	41
31	E37003	AMS METERS	199,059			199,059	21,795	177,264
32	E37001 & E37003	STREET LIGHTING SYS & SECURITY	252,886			252,886	224,062	28,824
33	E37401	LIGHTING	21,053			21,053	11,053	10,000
34	E37403	ASSET NET COST-DISTRIBUTION	2,735,851	(151,014)	0	2,584,837	2,584,837	0
35		Subtotal	2,735,851	(151,014)	0	2,584,837	2,584,837	0

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
D-B-5a RESERVE REALLOCATION ADJUSTMENT
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN / D. WATSON
(THOUSANDS OF DOLLARS)

Line No.	FERC Account	Description	1 Book Reserve at 12/31/17	2 Less AMS	3 Less Retirements	4 Adjusted Book Reserve at 12/31/17	5 Calculated Reserve at 12/31/17	6 Reserve Reallocation
General Property Excluding General Plant Assetization								
36	E18902	LAND RIGHTS	34			34	31	3
37	E19001	STRUCT. & IMPROVEMENTS	74,491			74,491	81,300	(2,809)
38	E19201	TRANSPORTATION EQUIP	34,821	(155)		34,666	43,673	(5,007)
39	E19601	POWER OPERATED EQUIP	5,905			5,905	7,531	(1,626)
40	E19701	MICROWAVE EQUIPMENT	164,234	(59,450)		104,784	78,245	26,539
41	E19911	ASSET NET COST-GENERAL PLANT	476			476	476	0
42		Subtotal	287,961	(59,605)	0	228,356	217,236	17,099
43								
44								
45								
American General Property								
46	E19101	OFFICE EFF	3,100			3,100	2,683	417
47	E19201	STOCKS EQUIPMENT	(18)			(18)	183	(201)
48	E19401	TOOLS SHOP GAR EQUIP	1,131		(56)	1,075	1,945	(869)
49	E19501	LAB EQUIPMENT	7,641	(27)	(771)	6,843	7,724	(881)
50	E19702	COMPUTER EQUIPMENT	60,106	(14,817)	(10,927)	34,342	49,560	(15,218)
51	E19801	MISC. EQUIPMENT	1,589	(11)		1,578	1,924	(345)
52		Subtotal	73,550	(14,876)	(11,754)	46,920	64,019	(17,099)
53								
54								
55		TOTAL ACCUMULATED DEPRECIATION	3,965,049	(227,495)	(11,754)	3,725,801	3,725,801	0

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
I-D-1 OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: M. COLVIN
(THOUSANDS OF DOLLARS)

Line No	PERC Account	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known and Measurable Charges	4 Company Total Electric
1		Transmission Expenses					
2							
3							
4	5600	Oper Supv & Eng	I-D-1	13,074	-	222	13,296
5	5610	Load Dispatching		-	-	-	-
6	5611	Load Dispatching		47	-	1	48
7	5612	Load Dispatching		5,073	-	61	5,134
8	5613	Load Dispatching		349	-	3	352
9	5614	Scheduling, Control, and Dispatching Services		885	-	14	899
10	5615	Reliability, Planning, and Standards		1,017	-	46	1,063
11	5617	General Studies		166	-	15	181
12	5639	Station Exp		186	-	61	247
13	5630	Overhead Line Exp		842	-	45	887
14	5648	Underground Line Exp		(2)	-	2	-
15	5658	Transmission of Electricity by Others		791,308	-	(244,702)	546,606
16	5660	Electric Transmission Ex		3,548	-	146	3,694
17	5670	Rents		98	-	-	98
18							
19				816,491	-	(244,686)	571,805
20							
21							
22	5680	Maintenance	I-D-1	-	-	-	-
23	5690	Maint of Structures		739	-	106	845
24	5700	Maint of Sub Equip		10,516	-	318	10,834
25	5710	Maint of Overhead Lines		13,541	-	103	13,644
26	5720	Maint of Underground Lines		127	-	2	129
27	5730	Maint of Misc Trans		513	-	3	516
28							
29				27,277	-	532	27,809
30							
31				843,911	-	(243,650)	600,261
32							
		TOTAL TRANSMISSION EXPENSE	I-D-1	843,911	-	(243,650)	600,261

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-D-1 OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

Line No.	FERC Account	Description	Reference Schedule	FF #	Functionalisation Factor Name	Allocation to Trans	TRAN	DIST	MBT	TDCS	Total
1		Transmission Expense									
2											
3		Overhead Line Exp	II-D-1	2	TRAN	13,296	13,296	-	-	-	13,296
4	5600	Overhead Line Exp		2	TRAN	-	-	-	-	-	-
5	5610	Load Dispatching		2	TRAN	48	48	-	-	-	48
6	5611	Load Dispatching		2	TRAN	5,134	5,134	-	-	-	5,134
7	5612	Load Dispatching		2	TRAN	332	332	-	-	-	332
8	5613	Load Dispatching		2	TRAN	899	899	-	-	-	899
9	5614	Scheduling, Control, and Dispatching Services		2	TRAN	1,063	1,063	-	-	-	1,063
10	5615	Reliability, Planning, and Standards		2	TRAN	181	181	-	-	-	181
11	5617	General Studies		2	TRAN	247	247	-	-	-	247
12	5620	Station Exp		2	TRAN	887	887	-	-	-	887
13	5630	Overhead Line Exp		2	TRAN	-	-	-	-	-	-
14	5640	Underground Line Exp		2	TRAN	546,606	546,606	-	-	-	546,606
15	5650	Transmission of Electricity by Others		2	TRAN	3,694	3,694	-	-	-	3,694
16	5660	Misc Transmission Ex		2	TRAN	98	98	-	-	-	98
17	5670	Rents		2	TRAN	-	-	-	-	-	-
18											
19											
20											
21		Maintenance	II-D-1	2	TRAN	845	845	-	-	-	845
22	5680	Maintenance Super. & Engin.		2	TRAN	779	779	-	-	-	779
23	5690	Maint of Structures		2	TRAN	10,834	10,834	-	-	-	10,834
24	5700	Maint of Sub Equip		2	TRAN	15,664	15,664	-	-	-	15,664
25	5710	Maint of Overhead Lines		2	TRAN	-	-	-	-	-	-
26	5720	Maint of Under Lines		2	TRAN	-	-	-	-	-	-
27	5730	Maint of Misc Trans		2	TRAN	516	516	-	-	-	516
28											
29											
30											
31		TOTAL TRANSMISSION EXPENSE	II-D-1			604,364	604,364	811	-	-	605,175
32											

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-D-1 OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

INDEX

Line No	FERC Account	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known and Measurable Charges	4 Company Total Electric
33		Distribution Expense					
34							
35		Overhead					
36	5810	Load Dispatching	II-D-1	3,328	-	60	3,388
37	5820	Station Exp		921	-	231	1,152
38	5830	Overhd Line Exp		3,407	-	341	3,748
39	5840	Undergr Line Exp		8,156	-	283	8,439
40	5850	St Light & Signal Ex		48	-	7	55
41	5860	Meter Exp		27,262	-	4,053	31,315
42	5870	Cust Installat Exp		2,920	-	122	3,042
43	5890	Rents		125	-	-	125
44							
45		Subtotal 581-589		46,167	-	5,097	51,264
46							
47	5800	Oper Supv & Eng		53,346	-	841	54,187
48	5880	Misc Distrib Exp		35,680	-	484	36,164
49							
50		Subtotal 580 & 588		89,026	-	1,325	90,351
51							
52		Distribution-Operation-Total		135,193	-	6,422	141,615
53							
54		Maintenance	II-D-1				
55	5910	Maint of Structures		820	-	27	847
56	5920	Maint of Sta Equip		12,536	-	428	12,964
57	5930	Maint of Ovhd Lines		84,709	-	564	85,273
58	5940	Maint of Undergr Lines		12,990	-	228	13,218
59	5950	Maint of Line Transf		4,970	-	-	4,970
60	5960	Maint St Line & Sig		3,727	-	44	3,771
61	5970	Maint of Meters		7,758	-	2	7,760
62	5980	Maint of Misc Dist Plant (371&372)		2,053	-	(2)	2,051
63							
64		Subtotal 591-598		129,563	-	1,291	130,854
65							
66	5900	Maint Supv & Eng		5,521	-	6	5,527
67	5982	Maint of Misc Dist Plant - OTHER		-	-	-	-
68							
69		Subtotal 590 & 591-2		5,521	-	6	5,527
70							
71		TOTAL DISTRIBUTION EXPENSE	II-D-1	270,277	-	7,719	277,996
72							

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-D-1 OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
RESPONSE TO COLONY
(THOUSANDS OF DOLLARS)

Line No.	FERC Account	Description	Reference Schedule	FF #	Functionalization Factor Name	Allocation to Texas	TRAN	DIST	MEET	TDCS	Total
33		Distribution Expense									
34		Overhead									
35	5810	Lead Dispatching	II-D-1	3	DIST	3,388	-	3,388	-	-	3,388
36	5820	Subst Exp		3	DIST	1,152	-	1,152	-	-	1,152
37	5830	Overhead Line Exp		3	DIST	3,748	-	3,748	-	-	3,748
38	5840	Underground Line Exp		3	DIST	8,439	-	8,439	-	-	8,439
39	5850	Signal & Signal Exp		3	DIST	55	-	55	-	-	55
40	5860	Wire Exp		4	MEET	31,315	-	-	31,315	-	31,315
41	5870	Cut In/Out Exp		3	DIST	3,042	-	3,042	-	-	3,042
42	5880	Rents		3	DIST	125	-	125	-	-	125
43											
44											
45											
46											
47	5890	Oper Supp & Eng		3	DIST	54,187	-	54,187	-	-	54,187
48	5880	Misc Distrib Exp		3	DIST	36,164	-	36,164	-	-	36,164
49											
50											
51											
52											
53											
54											
55	5910	Maint of Structures	II-D-1	38	E36201	847	317	530	-	-	847
56	5920	Maint of Sta Equip		38	E36201	12,964	4,849	8,115	-	-	12,964
57	5930	Maint of Overhead Lines		3	DIST	85,273	-	85,273	-	-	85,273
58	5940	Maint of Under Lines		3	DIST	13,218	-	13,218	-	-	13,218
59	5950	Maint of Line Transf		3	DIST	4,970	-	4,970	-	-	4,970
60	5960	Maint of Line & Sig		3	DIST	3,771	-	3,771	-	-	3,771
61	5970	Maint of Meas		4	MEET	7,760	-	-	7,760	-	7,760
62	5980	Maint of Misc Dist Plant (371&372)		3	DIST	2,051	-	2,051	-	-	2,051
63											
64											
65											
66	5990	Maint Supp & Eng		3	DIST	5,527	-	5,527	-	-	5,527
67	5982	Maint of Misc Dist Plant - OTHER		3	DIST	-	-	-	-	-	-
68											
69											
70											
71		TOTAL DISTRIBUTION EXPENSE	II-D-1			277,875	5,164	238,755	7,760	-	277,875
72											

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
E-D-1 OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: E. COLVIN
(THOUSANDS OF DOLLARS)

Line No	FERC Account	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known and Measurable Changes	4 Company Total Electric
73		Customer Acquisition Expenses	E-D-1				
74	9070	Meter Reading Exp		1,495	-	4	1,499
75	9030	Cust Records & Colls		31,250	-	491	31,741
76							
77							
78		Subtotal 907-903		32,745		495	33,240
79	9010	Supervision		-	-	-	-
80	9040	Uncollectible Accts		-	-	-	-
81	9050	Misc. Customer Acct Expense		65	-	573	588
82							
83							
84		Subtotal Customer Acquisition		65		577	588
85		Cost, Service & Information Expense	E-D-1				
86	9060	Customer Svc. & Infor.		-	-	-	-
87	9080	Customer Assistance		33,734	-	(30,084)	3,650
88	9090	Inform. & Instruat. Adv. Exp		3,914	-	260	4,174
89							
90		Subtotal 906-909		37,648		(30,084)	7,564
91							
92	9070	Supervision		627	-	(627)	-
93	9100	Misc Cust Service & Inform.		228	-	(222)	6
94							
95							
96		Subtotal 907 & 910		855		(849)	6
97		TOTAL CUSTOMER SERVICE & INFO.	E-D-1	71,313		(20,350)	41,659
98							

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTROPOINT ENERGY HOUSTON ELECTRIC, LLC
II-D-1 OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: E. COLVIN
(THOUSANDS OF DOLLARS)

Line No.	PERC Account	Description	Reference Schedule	FF #	Functionalization Prior Name	Allocation to Team	TRAN	DIST	MET	TDCS	Total
73		Customer Accounting Expenses	II-D-1								
74	9020	Misc Reading Exp		4	MET	1,499	-	-	1,499	-	1,499
75	9030	Cost Records & Colls		5	TDCS	31,741	-	-	-	31,741	31,741
76											
77						33,240	-	-	1,499	31,741	33,240
78		Subtotal 902-903									
79	9010	Supervision		1	DA	-	-	-	-	-	-
80	9040	Uncollectible Accts		5	TDCS	588	-	-	-	588	588
81	9050	Misc Customer Acc Expenses		1	DA	-	-	-	-	-	-
82											
83						588	-	-	-	-	588
84		Subtotal Customer Accounting									
85		Cost Services & Information Expenses	II-D-1								
86	9060	Customer Svc & Infor		1	DA	-	-	-	-	-	-
87	9080	Customer Assistance		5	TDCS	3,050	-	-	-	3,050	3,050
88	9090	Inform & Instruct Adv Exp		5	TDCS	4,174	-	-	-	4,174	4,174
89											
90						7,224	-	-	-	7,224	7,224
91		Subtotal 906-909									
92	9070	Supervision		1	DA	-	-	-	-	-	-
93	9100	Misc Cust Service & Inform.		5	TDCS	6	-	-	-	6	6
94											
95						6	-	-	-	6	6
96		Subtotal 907 & 910									
97		TOTAL-CUSTOMER SERVICE & INFO.	II-D-1			41,058	-	-	1,499	28,559	41,058
98											

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
I-D-1 OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

Line No.	PERC Account	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known and Measurable Changes	4 Company Total Electric
99		Sales Expenses	I-D-1				
100	9120	Demonstrating & Selling Exp.		-	-	-	-
101	9130	Advertising Exp.		-	-	-	-
102	9160	Misc Sales Exp.		-	-	-	-
103	9170	Sales Expenses		-	-	-	-
104							
105							
106							
107	9110	Supervision		-	-	-	-
108	9160	Misc. Sales Exp.		-	-	-	-
109							
110							
111							
112							
113							
114							
		TOTAL SALES EXPENSE	I-D-1	1,185,508	-	(266,098)	919,410
		TOTAL O&M EXPENSE	I-D-1				

PUBLIC UTILITY COMMISSION OF TEXAS

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

E-D-1 OPERATION AND MAINTENANCE EXPENSES

TEST YEAR ENDED 12/31/2010

DOCKET NUMBER PENDING ASSIGNMENT

SPONSOR: K. COLVIN

(THOUSANDS OF DOLLARS)

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-D-2 ADMINISTRATIVE & GENERAL EXPENSE
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

INDEX

Line No.	FERC Account	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known and Measurable Changes	4 Company Total Electric
1		Administrative & General Expenses	II-D-2				
2	9200	Admin. & General Salaries		2,371	-	58	2,429
3	9210	Office Supplies		1,795	-	13	1,808
4	9230	Outside Services		1,064	-	-	1,064
5	9240	Property Insurance Exp.		7,315	-	3,535	10,850
6	9250	Injuries & Damages		22,845	-	(2,317)	20,528
7	9260	Pensions & Benefits		62,096	-	(15,288)	46,808
8	9280	Regulatory Commission		74	-	(74)	-
9	9301	Gen Advertising Exp		367	-	(244)	123
10	9302	Misc General Expense		145,091	-	1,121	146,212
11	9310	Rents		10,885	-	242	11,127
12	9350	Maint. of General Plant		2,607	-	13	2,620
13							
14		TOTAL A&G EXPENSE	II-D-2	256,510	-	(12,941)	243,569
15							
16		TOTAL O&M & A&G EXPENSE	II-D-1-2	1,442,018	-	(279,031)	1,162,987
17							
18		TOTAL O&M EXP. EXCL. FUEL & PUR. POWER	II-D-1	394,200	-	(21,388)	372,812
19							
20		TOTAL O&M & A&G EXP. EXCL. FUEL & PUR. POWER	II-D-1-2	650,710	-	(34,329)	616,381

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-D-2 ADMINISTRATIVE & GENERAL EXPENSE
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

INDEX

Line No.	FERC Account	Description	Reference Schedule	5 FF #	6 Functionalization Factor Name	7 Allocation to Texas	8 TRAN	9 DIST	10 MET	11 TDCS	12 Total
1		Administrative & General Expenses	II-D-2								
2	9200	Admin. & General Salaries		12	PAYXAG	2,429	481	1,791	5	152	2,429
3	9210	Office Supplies		12	PAYXAG	1,808	358	1,333	3	113	1,808
4	9230	Outside Services		8	OMAGXFP(565)	1,064	184	703	72	106	1,064
5	9240	Property Insurance Exp.		15	PLTSVC-N	10,850	3,879	6,589	270	112	10,850
6	9250	Injuries & Damages		1	DA	20,528	3,652	13,592	35	3,248	20,527
7	9260	Pensions & Benefits		1	DA	46,808	9,211	34,280	88	3,229	46,808
8	9280	Regulatory Commission		1	DA	-	-	-	-	-	-
9	9301	Gen Advertising Exp		1	DA	123	23	86	-	14	123
10	9302	Misc General Expense		1	DA	146,212	27,953	104,028	266	13,963	146,212
11	9310	Rents		12	PAYXAG	11,127	2,205	8,207	21	694	11,127
12	9350	Maint. of General Plant		13	GNLPLT-N	2,620	562	1,740	144	174	2,620
13											
14		TOTAL A&G EXPENSE	II-D-2			243,569	48,508	172,350	903	21,807	243,568
15											
16		TOTAL O&M & A&G EXPENSE	II-D-1-2			1,162,987	653,125	407,018	41,477	61,366	1,162,986
17											
18		TOTAL O&M EXP. EXCL. FUEL & PUR. POWER	II-D-1			372,812	58,011	234,668	40,574	39,559	372,812
19											
20		TOTAL O&M & A&G EXP. EXCL. FUEL & PUR. POWER	II-D-1-2			616,381	106,519	407,018	41,477	61,366	616,390

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-E-1 DEPRECIATION & AMORTIZATION EXPENSE
TEST YEAR ENDING 12/31/2018
BOOKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

Line No.	FERC Account	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known and Measurable Charges	4 Company Total Electric	5 FF #	6 Functionalization Factor Name
Depreciation and Amortization Expense									
1			II-E-1						
2			II-E-1						
3			II-E-1						
4	301	Organization		-	-	-	-	1	DA
5	302	Franchise and Consents		-	-	-	-	1	DA
6	303.01	Misc Intangible Plant - MF S/W		-	-	-	-	1	DA
7	303.02	Misc Intangible Plant - NMF S/W		42,281	-	(12,631)	29,650	23	E30302
8									
9				42,281	-	(12,631)	29,650		
10			Subtotal						
Transmission Plant									
11	350.01	Land and Land Fees		-	-	-	-	25	E35001
12	350.02	Land and Land Rights		1,301	-	(10)	1,291	26	E35002
13	352.01	Structures and Improvements		3,021	-	182	3,203	27	E35201
14	353.01	Station Equipment		20,540	-	(1,590)	18,950	28	E35301
15	354.01	Towers and Fixtures		14,507	-	2,196	16,703	29	E35401
16	355.01	Poles and Fixtures		4,148	-	(1,100)	3,048	30	E35501
17	356.01	O & H Conductors & Devices		20,064	-	(796)	19,268	31	E35601
18	357.01	Underground Conductors		624	-	34	658	32	E35701
19	358.01	Underground Conductors		361	-	(13)	346	33	E35801
20	359.01	Roads and Trails		1,296	-	135	1,431	34	E35901
21									
22									
23									
24									
25			II-E-1						
26	360.01	Land and Land Fees		-	-	-	-	35	E36001
27	360.02	Land and Land Rights		32	-	(13)	19	36	E36002
28									
29									
30									
31									
32									
33									
34									
35									
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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
11-B-1 DEPRECIATION & AMORTIZATION EXPENSE
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

INDEX

Line No	PERC Account	Description	Reference Schedule	Total Company	2- Regulated or Non-Regulated	3- Known and Measurable Changes	4- Company Total Electric	5- FR #	6- Functionalization Factor Name
28	361.01	Structures and Improvements		1,594	-	63	1,657	37	E36101
29	362.01	Station Equipment		21,573	-	3,633	25,206	38	E36201
30	364.01	Poles, Towers & Poles		23,183	-	1,668	24,851	39	E36401
31	365.01	O.H. Conductors & Devices		26,954	-	5,035	31,989	40	E36501
32	366.01	Underground Cables		14,698	-	(3,363)	11,335	41	E36601
33	367.01	U.G. Conductors & Devices		33,719	-	606	34,325	42	E36701
34	368.01	Line Transformers		41,452	-	8,732	50,184	43	E36801
35	369.01	Services		7,303	-	1,383	8,686	44	E36901
36	370.01	Meters		3,595	-	(1,050)	2,545	45	E37001
37	370.02	Advanced Meters		-	-	-	-	46	DA
38	370.03	Automated Meters		25,431	-	(27,701)	(2,270)	47	E37003
39	371.01	Install. on Customer Prem. (Not Used)		-	-	-	-	48	DA
40	373.01	Street Lighting and Signal Systems		20,214	-	(2,223)	17,991	47	E37301
41	373.02	Security Lighting		455	-	1	456	47	E37301
42	374.01	Security Lighting		1	-	(1)	-	1	DA
43									
44									
45									
46									
47									
48	389.01	Land and Land Fees		-	-	-	-	1	DA
49	389.02	Land and Land Rights		3	-	-	3	50	E38902
50	390.01	Structures and Improvements		5,271	-	(970)	4,301	51	E39001
51	391.01	AS91 Office Furniture		483	-	(93)	388	52	E39101
52	392.01	Transportation equipment		-	-	-	-	53	E39201
53	393.01	Store Equipment		16	-	(11)	5	54	E39301
54	394.01	Tools, Shop & Garage Equip		779	-	(49)	730	55	E39401
55	395.01	Lab Equip		878	-	(62)	816	56	E39501
56	396.01	Power Operated Equipment		-	-	-	-	57	E39601
57	397.01	Communication Equipment		19,570	-	(4,540)	15,030	58	E39701
58	397.02	Computer Equipment		19,106	-	(983)	18,123	59	E39702
59	398.01	Misc Equip		508	-	(26)	482	60	E39801
60									
61									
62									
63									
64									
65									
66									
67									
68									
69									
TOTAL DEPRECIATION & AMORTIZATION				44,614	-	(6,276)	38,338		
TOTAL DEPRECIATION & AMORTIZATION				37,951	-	(3,531)	34,420		
MISC. OTHER EXPENSES FROM SCHEDULE 11-B-1				3,887	-	(3,440)	447		
AMORTIZATION FROM SCHEDULE 11-B-1				23	-	9,130	9,153		
TOTAL DEPRECIATION & AMORTIZATION EXPENSE				37,871	-	(27,641)	10,230		

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-E-1 DEPRECIATION & AMORTIZATION EXPENSE
TEST YEAR ENDED 12/31/2019
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

Line No.	FERC Account	Description	Reference Schedule	Allocation to Texas	7	8	9	10	11	12
					TRAN	DIST	MET	TDCS	Total	
1		Depreciation and Amortization Expense	II-E-1							
2		Intangible Plant	II-E-1							
3	301	Organization		-	-	-	-	-	-	-
4	302	Franchise and Contracts		-	-	-	-	-	-	-
5	303.01	Misc Intangible Plant - MF SW		-	-	-	-	-	-	-
6	303.02	Misc Intangible Plant - NMP SW		29,650	520	9,703	11,557	7,868	29,650	
7										
8										
9										
10		Subtotal		29,650	520	9,703	11,557	7,868	29,650	
11		Transmission Plant	II-E-1							
12	350.01	Land and Land Fees		-	-	-	-	-	-	-
13	350.02	Land and Land Rights		1,291	1,291	0	-	-	1,291	
14	352.01	Structures and Improvements		3,203	3,092	111	-	-	3,203	
15	353.01	Station Equipment		18,950	17,470	1,480	-	-	18,950	
16	354.01	Towers and Structures		16,703	16,703	-	-	-	16,703	
17	355.01	Poles and Fittings		3,048	3,048	-	-	-	3,048	
18	356.01	O & H Conductors & Devices		19,268	19,268	-	-	-	19,268	
19	357.01	Underground Conduit		638	638	-	-	-	638	
20	358.01	Underground Conductors		346	346	-	-	-	346	
21	359.01	Roads and Trails		1,451	1,451	-	-	-	1,451	
22										
23										
24		Subtotal		44,218	43,317	1,521	-	-	44,218	
25		Distribution	II-E-1							
26	360.01	Land and Land Fees		-	-	-	-	-	-	-
27	360.02	Land and Land Rights		19	1	18	-	-	19	

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-E-1 DEPRECIATION & AMORTIZATION EXPENSE
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN
(THOUSANDS OF DOLLARS)

INDEX

Line No	FERC Account	Description	Reference Schedule	7 Allocation to Texas	8 TRAN	9 DIST	10 MET	11 TDCS	12 Total
28	361.01	Structures and Improvements		1,657	574	1,083	-	-	1,657
29	362.01	Station Equipment		25,206	9,427	15,779	-	-	25,206
30	364.01	Poles, Towers & Fixtures		24,851	-	24,851	-	-	24,851
31	365.01	O.H. Conductors & Devices		31,989	-	31,989	-	-	31,989
32	366.01	Underground Conductors		11,335	-	11,335	-	-	11,335
33	367.01	U.G. Conductors & Devices		34,325	-	34,325	-	-	34,325
34	368.01	Line Transformers		50,184	-	50,184	-	-	50,184
35	369.01	Services		8,886	-	8,886	-	-	8,886
36	370.01	Meters		2,545	-	-	2,545	-	2,545
37	370.02	Advanced Meters		-	-	-	-	-	-
38	370.03	Automated Meters		(2,270)	-	-	(2,270)	-	(2,270)
39	371.01	Install. on Customer Prem. (Not Used)		-	-	-	-	-	-
40	373.01	Street Lighting and Signal Systems		17,991	-	17,991	-	-	17,991
41	373.02	Security Lighting		456	-	456	-	-	456
42	374.01	Security Lighting		-	-	-	-	-	-
43									
44									
45		Subtotal		207,174	10,002	196,897	275	-	207,174
46									
47	General Plant		II-E-1						
48	389.01	Land and Land Fees		-	-	-	-	-	-
49	389.02	Land and Land Rights		3	0	3	0	0	3
50	390.01	Structures and Improvements		4,301	534	3,688	49	30	4,301
51	391.01	A391 Office Furniture		388	31	274	3	80	388
52	392.01	Transportation equipment		-	-	-	-	-	-
53	393.01	Store Equipment		15	4	10	0	-	15
54	394.01	Tools, Shop & Garage Equip		730	6	716	9	-	730
55	395.01	Lab Equip		816	-	143	645	28	816
56	396.01	Power Operated Equipment		-	-	-	-	-	-
57	397.01	Communication Equipment		15,030	3,011	9,497	1,070	1,452	15,030
58	397.02	Computer Equipment		18,123	3,367	11,936	1,197	1,624	18,123
59	398.01	Misc Equip		482	83	336	3	61	482
60									
61									
62		Subtotal		32,888	7,035	26,401	2,976	3,274	32,888
63									
64		TOTAL DEPRECIATION & AMORTIZATION	II-E-1	341,630	80,884	234,796	14,808	11,143	341,630
65									
66		MISC. OTHER EXPENSES FROM SCHEDULE II-E-4	II-E-4	447	77	295	30	45	447
67		AMORTIZATION FROM SCHEDULE II-E-4.1	II-E-4.1	9,153	(1,304)	8,607	2,880	(1,030)	9,153
68									
69		TOTAL DEPRECIATION & AMORTIZATION EXPENSE		351,230	79,657	243,697	17,718	10,157	351,230

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY MOUNTAIN ELECTRIC, LLC
II-E-2 TAXES OTHER THAN FEDERAL INCOME TAXES
TEST YEAR ENDING 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
STOCKHOLDER: K. COLVIN / C. PRINGLE / J. HYLAND / M. KODZKY
(THOUSANDS OF DOLLARS)

Line No	FBI/C Account	Description	Reference Schedule	1	2	3	4	5	6	7	8	9	10	11	12
				Total Company	Non-Regulated or Non-Reserve	Carried Forward	Company Total Electric	FF 8	Franchise Fee Factor Name	Allocation to Taxes	TRAN	DIST	NET	TDCS	Total
Taxes Other Than Income Taxes															
1			II-E-2												
2			II-E-2												
3	Payroll-Related			11,403	-	(108)	11,295	12	PAYXAG	11,295	2,238	8,330	21	705	11,295
4	4081 FICA			310	-	-	310	12	PAYXAG	310	61	229	1	19	310
5	4081 PUTA														
6															
7				11,713	-	(108)	11,605			11,605	2,300	8,597	22	724	11,605
8															
Preservy Related															
9	4081 All Voluntary Tax		II-E-2	84,144	-	6,068	94,212	1	DA	94,212	33,491	56,834	3,300	587	94,212
10															
11															
12				86,144	-	6,068	94,212			94,212	33,491	56,834	3,300	587	94,212
13															
Other															
14	4081 Sales & Use Tax		II-E-2	175	-	(175)	-	1	DA	-	-	-	-	-	-
15															
16															
17															
18				180,637	-	5,785	186,422			186,422	55,791	64,393	3,373	1,311	186,422
Total Non-Reserve Related															
19			II-E-2												
20	Revenue Related			18,414	-	1,613	20,027	6	TOTREV	20,027	8,272	10,377	670	708	20,027
21	4081 Texas Gross Margin Tax*			150,772	-	2,009	152,781	3	DIST	152,781	-	152,781	-	-	152,781
22	4081 Municipal Franchise Fee			(327)	-	-	(327)	6	TOTREV	(327)	(133)	(197)	(11)	(12)	(327)
23	4081 Deferred SUT/Legal			(327)	-	-	(327)	6	TOTREV	(327)	(133)	(197)	(11)	(12)	(327)
24				148,457	-	3,622	152,079			152,079	8,139	149,988	659	697	152,079
25															
TOTAL TAXES OTHER THAN INCOME TAXES															
			II-E-2	248,291	-	9,487	257,778			257,778	113,293	218,331	1,391	2,098	257,778

* The Texas Margin Tax return can be found on WP II-E-2a.

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-E-2a TAXES ON INCENTIVE COMPENSATION
TEST YEAR ENDED 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: K. COLVIN / M. TOWNSEND
(THOUSANDS OF DOLLARS)

INDEX

Line No.	FERC Account	Description	1 FICA on STI Social Security Tax	2 FICA on STI Medicare Tax	3 Total Tax
1		Taxes Other than Income Taxes - Note 2			
2		To the extent taxes other than income taxes apply to incentive compensation payments, those amounts shall be separately identified by tax type, directly incurred, and allocated by affiliate.			
3					
4		Payroll-Related Direct			
5	4081	FICA on Short Term Incentive (STI)	721	241	962
6					
7		Payroll-Related Affiliate*			
8	Various	FICA on Short Term Incentive (STI)	633	148	781

* Source WP V-K-6.7

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
IL-E-3 FEDERAL INCOME TAXES
TAX YEAR ENDING 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: C. PRINGLE
(THOUSANDS OF DOLLARS)

Line No	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known and Measurable Changes	4 Company Total Electric	5 PF #	6 Functionalization Factor Name
IL-E-3								
1	Return on Equity	Calculated	414,466	-	2,791	417,257	-	DA
2								
3								
4								
5	Deductions:	Calculated						
6	Synonymous Interest		(141,140)	-	(827)	(141,967)	20	TATBSE
7	Amortization of Protected Excess DFTT		(8,445)	-	(18,639)	(27,084)	21	GPLT
8	Amortization of Non-protected Excess DFTT		(2,854)	-	8,445	(11,264)	21	GPLT
9	Research & Development Credit		(1,694)	-	1,386	(308)	21	GPLT
10	Medicare Drug Subsidy		(10,468)	-	1,624	(8,844)	1	DA
11	AFUDC Equity		(36)	-	10,406	10,370	1	DA
12	Restricted Stock Excess Tax Benefit		(36)	-	-	(36)	12	PAYXAG
13								
14								
15								
16	Additions:							
17	Non-deductible Club Dues		9	-	(9)	-	1	DA
18	Non-deductible Parking and Transit		114	-	-	114	12	PAYXAG
19	Non-deductible Lobbying Expenses		2,616	-	(2,616)	-	1	DA
20	Meals & Entertainment		579	-	-	579	12	PAYXAG
21	Fines & Penalties		40	-	(40)	-	1	DA
22	Diesel Fuel Credit Disallowance		3	-	-	3	21	GPLT
23	Permanent Depreciation Difference		4,728	-	(364)	4,364	21	GPLT
24	Medicare Drug Subsidy		-	-	8,744	8,744	12	PAYXAG
25								
26								
27								
28								
29								
30								
31								
Tax Factor ((1/(1-.21))-1)			26.51%	26.58%	26.58%	26.58%		

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
100% FEDERAL INCOME TAXES
TEST YEAR: 2011
BOOKET NUMBER: PENDING ASSIGNMENT
SPONSOR: C. FRANKLIN
(THOUSANDS OF DOLLARS)

Line No.	Description	Reference Schedule	Allocation to Texas	TRAN	DIST	NET	TDCS	Total
II-E-3								
1	Retiree Life Benefit	Calculated	479,068	174,967	216,632	11,749	5,718	479,068
2								
3								
4								
5	Deductions:	Calculated						
6	Synchrotron Internet		(141,967)	(51,451)	(84,940)	(3,482)	(1,695)	(141,967)
7	Amortization of Protected Excess DFT		(18,659)	(5,936)	(11,935)	(565)	(223)	(18,659)
8	Amortization of Non-protected Excess DFT		-	-	-	-	-	-
9	Research & Development Credit		(1,268)	(404)	(811)	(38)	(15)	(1,268)
10	Medicare Drug Subsidy		-	-	-	-	-	-
11	AFUDC Equity		-	-	-	-	-	-
12	Restricted Stock Excess Tax Benefit		(56)	(11)	(41)	(0)	(3)	(56)
13								
14								
15	Subtotal		(161,550)	(58,202)	(97,228)	(4,082)	(1,836)	(161,550)
16	Additions:							
17	Non-deductible Club Dues		-	-	-	-	-	-
18	Non-deductible Parking and Transit		114	23	84	0	7	114
19	Non-deductible Lobbying Expenses		-	-	-	-	-	-
20	Meals & Entertainment		579	115	427	1	36	579
21	Fines & Penalties		-	-	-	-	-	-
22	Direct Fuel Credit Disallowance		3	1	2	0	0	3
23	Permanent Depreciation Difference		4,364	1,288	2,791	132	52	4,364
24	Medicare Drug Subsidy		8,744	1,733	6,449	16	546	8,744
25								
26	Subtotal		13,804	3,269	7,753	159	641	13,804
27								
28	Tangible Capitalized Return		310,911	120,025	191,649	7,814	4,423	310,911
29								
30	Tax Factor ((1/(1-.21)))-1		26.58%	26.58%	26.58%	26.58%	26.58%	26.58%
31								

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTRAPOINT ENERGY HOUSTON ELECTRIC, LLC
II-E-3 FEDERAL INCOME TAXES
YEAR ENDING 12/31/2018
DOCKET NUMBER PENDING ASSIGNMENT
SPONSOR: C. FRINGLE
(THOUSANDS OF DOLLARS)

Line No.	Description	Reference Schedule	1 Total Company	2 Non-Regulated or Non-Electric	3 Known and Measurable Changes	4 Company Total Electric	5 PF #	6 Functionalization Factor Name
32	Federal Income Taxes Before A/Inv.							
33			14,912	-	3,051	17,964		
34	Tax Credits:							
35	Amortization of Protected Excess DFTT		-	-	(18,659)	(18,659)	21	GPLT
36	Amortization of Non-protected Excess DFTT		(8,945)	-	9,845	-	21	GPLT
37	Research & Development Credit		(2,354)	-	1,586	(1,268)	21	GPLT
38	Medicare Drug Subsidy		(1,624)	-	10,368	8,744	12	PAYXAG
39	Restricted Stock Excess Tax Benefit		(56)	-	-	(56)	12	PAYXAG
40								
41			(13,379)	-	3,132	(11,297)		
42								
43			71,534	-	5,191	76,724		
		II-E-3						

Total Invested Capital (Adjusted Historical)	6,444,742	37,770	6,482,512	1	DA
Weighted Cost of Debt	2.19%		2.19%		
Interest Expense	141,140	827	141,967		
Total Invested Capital (Adjusted Historical)	6,444,742	37,770	6,482,512	1	DA
Weighted Cost of Capital	7.39%		7.39%		
Total Return	476,266	2,791	479,058		
					Total Return 479,058
					Interest Expense 141,967
					Tax Expense 76,724
					Net Book Income Before Tax 410,367
					To II-E-3.15 410,367
					410,367

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PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-E-3 FEDERAL INCOME TAXES
TEST YEAR ENDED 12/31/2018
BOOKLET NUMBER PENDING ASSIGNMENT
SPONSOR: C. FRINGLE
(THOUSANDS OF DOLLARS)

Line No.	Description	Reference Schedule	7 Allocation to Texas	8 TRAN	9 DIST	10 MBT	12 TDCS	13 Total
32			87,564	31,805	52,805	2,077	1,176	87,564
Reflected Income Taxes Before Adjust.								
33								
34	Tax Credits							
35	Amortization of Protected Excess DPTT		(18,659)	(5,936)	(11,935)	(565)	(223)	(18,659)
36	Amortization of Non-protected Excess DPTT		-	(404)	(811)	(38)	(15)	(1,268)
37	Research & Development Credit		(1,268)	-	(811)	(38)	(15)	(1,268)
38	Medicare Drug Subsidy		8,744	1,733	6,449	16	546	8,744
39	Restricted Stock Excess Tax Benefit		(56)	(11)	(41)	(0)	(3)	(56)
40								
41								
42								
43								
	Subtotal		(11,293)	(4,611)	(6,339)	(581)	284	(11,293)
		II-E-3	76,724	27,388	46,467	1,690	1,488	76,724

Total Invested Capital (Adjusted Historical)			6,482,512	2,367,624	3,878,526	158,983	77,379	6,482,512
Weighted Cost of Debt			2.19%	2.19%	2.19%	2.19%	2.19%	
Interest Expense	To above		141,967	51,851	84,940	3,482	1,695	141,967
Total Invested Capital (Adjusted Historical)			6,482,512	2,367,624	3,878,526	158,983	77,379	6,482,512
Weighted Cost of Capital			7.39%	7.39%	7.39%	7.39%	7.39%	
Total Return	To above		479,058	174,967	286,623	11,749	5,718	479,058

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

2019 MAY 20 10:45

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

May 20, 2019

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Since the filing of CenterPoint Energy Houston Electric LLC's ("CenterPoint Houston") Application for Authority to Change Rates, CenterPoint Houston has identified certain corrections to its Rate Filing Package ("RFP") Schedules and Workpapers. CenterPoint Houston anticipates filing updated RFP Schedules and Workpapers including these corrections with its rebuttal testimony. However, list of changes below is being provided to the parties in advance. The overall impact of the changes listed is an increase to the annual revenue requirement on Schedule I-A from \$2.282 billion to approximately \$2.284 billion for base rates. The changes to Rider UEDIT increases the credit from \$97 million to \$119 million, or an annual credit from \$32.3 million to \$39.7 million over the three year amortization period. The net overall impact of these changes results in a decrease to the annual revenue requirement, from \$2.250 billion to approximately \$2.244 billion.

Witness	RFP Workpaper	Update	RFP Schedule Impacted	Bates Stamp	Description	Electronic	Confidential
THE FOLLOWING UPDATES IMPACT REVENUE REQUIREMENT ("CEHE RFP Workpapers.xlsx"):							
Colvin	WP II-B-6 Adj 1	Change cell D42 to 'Beyond' (\$192,075.10)	II-B-6	5696	To remove a tract of land that will not be used within 10 years.		
		Add in cell B6886 \$8,631,317.66					
Colvin	WP II-B-12b Hurricane Harvey	Add in cell C6886 \$111,178.84.	II-B-12	5765 (voluminous)	To include Hurricane Harvey carrying charges.		
		Add formula in cell D6886 to sum +B6886+C6886.					
Colvin	WP II-B-12	Cell F12, link to WP II-B-12b Hurricane Harvey cell D6886.	II-B-12	5762	To include Hurricane Harvey carrying charges.		
Colvin	WP II-D-2	Cell J9, insert + \$47,665.43.	II-D-2	5891	To remove Hurricane Harvey insurance proceeds from O&M.		
		Cell G24 insert negative \$462,305; Cell G26 insert negative \$18,294; Cell G28 insert negative \$40,629; Cell G30 insert negative \$36,162.					
Colvin	WP II-D-2 Adj 6.1	Cell H24 insert negative \$174,854; Cell H26 insert negative \$6,919; Cell H28 insert negative \$15,367; Cell H30 insert negative \$13,677.	II-D-2	5895	To remove capitalized amounts from the benefit adjustment.		
Colvin	WP II-D-2 Adj 6.1	Cell C31, subtract \$49,703,916.08 from current amount of \$111,786,464.64. Cell C40, subtract \$44,752,741.51 from current amount of \$339,003,445.83.	II-D-2	5895	To remove other non-requested amounts from the benefit adjustment.		
Colvin	WP II-E-1 Adj 1	Change cell B69 to \$4,388,960.07	II-E-1	6079	To remove AMS plant balances previously recovered in the AMS surcharge per Docket No. 47364.		
Colvin	WP II-E-2 Adj 4.1	Change cell B69 to \$4,388,960.07	II-E-2.1	6086	To include franchise fees for Sugar Land annexation.		
Colvin	WP II-E-4.1a	Change cell E9 to link to WP II-B-12b cell D6886 from B6886	II-E-4.1.1	6215	To include Hurricane Harvey carrying charges.		
Colvin	WP II-E-5.2	Cell F59, change amount to zero Cell K59, link to cell J59. Change cell C17 to \$88,554,295.53 from \$88,383,898.51. Change cell D11 to \$1,418,309.13 from \$1,406,658.96. Change cell E11 to \$3,737,115.56 from \$3,656,883.08. Change cell F11 to \$339,431.01 from \$334,895.57. Change cell G11 to \$256,982.51 from \$253,506.02. Change cell D12 to \$8,897,637.64 from \$8,838,962.24. Change cell E12 to \$1,781,808.23 from \$1,770,058.11. Change cell F12 to \$7,351.23 from \$7,302.75. Change cell G12 to \$4,338.19 from \$4,309.58. Add sum function to cells H8 through H15 to add columns D through G, respectively.	II-E-5	6315	To include export revenues as a reduction to revenue requirement.		
Hyland	WP II-E-2.1 FF	Copy amount in cell Q37, replace value in cell D37 from (\$14,984,656) to (\$16,820,580).	II-E-2	6089 (voluminous)	To include a property tax bills paid in March not included.		
Pringle	WP II-E-3.5.1a	Add formula in E37 (+C37-D37). Will change value from (\$14,035,331) to (\$12,199,407).	II-E-3.5.1	6138	To include ADIT for Hurricane Harvey carrying charges.		
Pringle	WP II-E-3.5.1a	Change sign in cell D51 to negative and E51 to positive.	II-E-3.5.1	6138	To include ADIT for Hurricane Harvey carrying charges.		
Pringle	WP II-E-3.5.1a		II-E-3.5.1	6138	Change sign of Prepaid Pension Asset		