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SOAH DOCKET NO. 473-19-3864  
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APPLICATION OF CENTERPOINT § BEFORE THE STATE OFFICE  
ENERGY HOUSTON ELECTRIC, LLC § OF  
FOR AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

June 17, 2019

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

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

**PUBLIC UTILITY COMMISSION OF TEXAS  
REQUEST NO.: PUC15-01**

**QUESTION:**

In the interest of facilitating the number-running phase of this proceeding (during which communications between number running Staff and the Company will be restricted), please provide a comprehensive explanation of the process the Company follows to tie its wholesale TCOS, retail cost of service, and ERCOT transmission payments when its TCOS is adjusted (some share of which changes the Company's ERCOT transmission payments and also impacts functionalization). Please provide workpapers supporting the Company's response.

**ANSWER:**

Please see PUC15-01 Attachment 1.docx for instructions for updating the model. A call will be set up with Commission Staff to walk through the model.

**SPONSOR (PREPARER):**

Kristie Colvin (Kristie Colvin)

**RESPONSIVE DOCUMENTS:**

PUC15-01 Attachment 1.docx

**1. System Requirements**

Due to the large file sizes, it is recommended that users have a least a 32-bit computer. Large files may take longer than normal time to open.

**2. List of main RFP Schedule files, or “RFP Schedules”**

The files listed below are the main spreadsheets used for the Affiliate Data, Cost of Service, and Rate Design. *These are Excel files.*

- a. CEHE RFP Workpapers 2 Errata - 1
- b. CEHE RFP Workpapers Errata - 1
- c. CEHE RFP Schedules Errata - 1
- d. Schedule H-I-J and CA ERRATA - 1
- e. CEHE RFP Workpapers – V-K ERRATA - 1
- f. CEHE RFP Schedules – V-K ERRATA - 1

**3. List of RFP Supporting Workpaper files (Linked to RFP Schedules)**

The supporting files listed below are directly linked to the RFP Schedules. *These are Excel files.*

Linked to “CEHE RFP Workpapers Errata - 1”:

- a. WP II-F Plant Functionalization

Linked to “Schedule H-I-J and CA ERRATA - 1”:

- b. 903 IT Workpaper
- c. WP – 2018 KWH by Rate Class\_Franchise
- d. WP – 597 Maintenance Exp
- e. WP – AMS Transformer Percentage [Voluminous]
- f. WP – Discretionary Services – Current and Proposed Calculations
- g. WP – IDR Transformers [Voluminous]
- h. WP – Materials and Supplies – Meters [Voluminous]
- i. Errata 1 WP – Misc Lighting Rate Design
- j. WP – Plant FERC Accts
- k. WP – Rate Case – Dist Cust Loads by Service Type 2018-08
- l. WP – Rate Case – Diversity Factor 2018-08
- m. WP – Schedule H
- n. Errata 1 WP – Streetlight Rate Design
- o. WP – TCRF Rate Design Calculation

**4. Recommended opening order**

To avoid linking problems, it is highly recommended that when opening the files that the following order is used. It is not recommended to select the “Update Link” button when the option is presented upon opening files.

- a. WP II-F Plant Functionalization
- b. CEHE RFP Workpapers 2 Errata - 1
- c. CEHE RFP Workpapers Errata - 1

- d. CEHE RFP Schedules Errata - 1
- e. Schedule H-I-J and CA ERRATA - 1
  - If Schedule H-I-J and CA ERRATA - 1 is updated, then open and update the files below:
    - i. Errata 1 WP - Misc Lighting Rate Design
    - ii. Errata 1 WP - Streetlight Rate Design
- f. CEHE RFP Workpapers – V-K ERRATA - 1
- g. CEHE RFP Schedules – V-K ERRATA - 1

#### 5. Specific Instructions - Hardcoded Numbers

Certain numbers must be hardcoded to avoid circular references or other linking problems. If numbers are modified the user must make sure the following cells are manually updated in this order.

- 1) In CEHE RFP Schedules Errata - 1.xlsx, worksheet “II-F Func Factors – Data”, update FF# 8 “Total O&M and A&G, excluding Fuel & Purchased Power [1]” by copying the numbers from Excel columns L through O and pasting as values in Column Nos. 1 through 4. Repeat this iteration until the variance columns are zero.
- 2) In CEHE RFP Schedules Errata - 1.xlsx, worksheet “II-F Func Factors – Data”, update FF# 6 “Total Revenue Requirement [1]” by copying the numbers from Excel columns L through O and pasting as values in Column Nos. 1 through 4. Repeat this iteration until the variance columns are zero.
- 3) In CEHE RFP Workpapers Errata - 1.xlsx, worksheet “WP II-F Func Factors”, update FF# 8 “Total O&M and A&G, excluding Fuel & Purchased Power [1]” by copying the percentages from CEHE RFP Schedules Errata - 1.xlsx, worksheet “II-F Func Factors”, FF# 8 “Total O&M and A&G, excluding Fuel & Purchased Power [1]” in Column Nos. 1 through 4. Copy and paste as values into Excel columns E through H.
- 4) In CEHE RFP Workpapers Errata - 1.xlsx, worksheet “WP II-F Func Factors”, update FF# 12 “Personnel-related” by copying the percentages from CEHE RFP Schedules Errata - 1.xlsx, worksheet “II-F Func Factors”, FF# 12 “Personnel-related” in Column Nos. 1 through 4. Copy and paste as values into Excel columns E through H.
- 5) In CEHE RFP Workpapers Errata - 1.xlsx, worksheet “TCOS Calculation”, update cell M18 by copying the value from CEHE RFP Schedules Errata - 1.xlsx, worksheet “III-A-1”, Column No. 4, Line No. 12 “TOTAL ADJUSTED REVENUE REQUIREMENT” (cell G24). Copy and paste as values into cell M18.
- 6) In CEHE RFP Workpapers Errata - 1.xlsx, worksheet “WP II-B-9”, update cell B26 by copying the value from CEHE RFP Schedules Errata - 1.xlsx, worksheet “I-A-1”, Column No. 3, Line No. 6 “Return on Rate Base” (cell F17). Copy and paste as values into cell B26 and multiply by 1000 to get whole dollars.

- 7) In CEHE RFP Workpapers Errata - 1.xlsx, worksheet "WP II-E-3.15" update cell F23 ("Pre-tax Income Per Books") by copying the value from CEHE RFP Schedules Errata - 1.xlsx, worksheet "II-E-3.15", cell E28 (Line No. 14). Copy and paste as value into cell F23.
- 8) In CEHE RFP Schedules Errata - 1.xlsx, worksheet "I-A", Column Nos. 1 and 2, Line Nos. 3 through 15 are pasted as values from Schedule H-I-J and CA ERRATA - 1.xlsx, worksheet "WP I-A".

#### 6. Specific Instructions - Class Allocation

- 1) If allocations are changed in Schedule H-I-J and CA ERRATA - 1.xlsx, they impact worksheet "Schedule IV-J-1-Revenue Summary".
- 2) In order to flow through the change, you must determine which rate class is affected by reviewing "WP/ 1-A", Excel column I.
- 3) Once the rate class is determined, go to the corresponding "Schedule IV-J-7" worksheet for that rate class and insert the dollar value of the difference in the adder calculation column.
- 4) For the lighting classes, open the respective supporting workpaper (listed above) and links update automatically within the lighting supporting workpapers and in Schedule H-I-J and CA ERRATA - 1.xlsx.

Below is a chart explaining the same adjustments that are in narrative above.

Item Number	Schedule	Tab	Cell Reference	Item
<b>Specific Instructions - Hardcoded Numbers</b>				
1) Hardcoded number	CEHE RFP Schedules Errata - 1.xlsx	II-F Func Factors – Data	FF# 8 "Total O&M and A&G, excluding Fuel & Purchased Power [1]" Column Nos. 1 through 4	Functionalization Factor for Total O&M and A&G, Excluding Fuel & Purchased Power
1) Data Source	CEHE RFP Schedules Errata - 1.xlsx	II-F Func Factors – Data	FF# 8 "Total O&M and A&G, excluding Fuel & Purchased Power [1]" Excel columns L through O	Calculates from Schedule

2) Hardcoded number	CEHE RFP Schedules Errata - 1.xlsx	II-F Func Factors – Data	FF# 6 “Total Revenue Requirement [1]” Column Nos. 1 through 4	Total Revenue Requirement
2) Data Source	CEHE RFP Schedules Errata - 1.xlsx	II-F Func Factors – Data	FF# 6 “Total Revenue Requirement [1]” Excel columns L through O	Calculates from Schedule
3) Hardcoded number	CEHE RFP Workpapers Errata - 1.xlsx	WP II-F Func Factors	FF# 8 “Total O&M and A&G, excluding Fuel & Purchased Power [1]” Excel columns E through H	Total O&M and A&G, excluding Fuel & Purchased Power
3) Data Source	CEHE RFP Schedules Errata - 1.xlsx	II-F Func Factors	FF# 8 “Total O&M and A&G, excluding Fuel & Purchased Power [1]” Column Nos. 1 through 4	Calculates from Schedule
4) Hardcoded number	CEHE RFP Workpapers Errata - 1.xlsx	WP II-F Func Factors	FF# 12 “Personnel- related” Excel columns E through H	Personnel-related
4) Data Source	CEHE RFP Schedules Errata - 1.xlsx	II-F Func Factors	FF# 12 “Personnel- related” Column Nos. 1 through 4	Calculates from Schedule
5) Hardcoded number	CEHE RFP Workpapers Errata - 1.xlsx	TCOS Calculation	M18	TCOS Revenue Requirement <i>[The number must be input in whole dollars]</i>
5) Data Source	CEHE RFP	III-A-1	G24	TCOS Total Adjusted Revenue Requirement <i>[Note – number</i>

	Schedules Errata - 1.xlsx			<i>on this schedule is in thousands of dollars. The hardcoded number must be in whole dollars.]</i>
6) Hardcoded number	CEHE RFP Workpapers Errata - 1.xlsx	WP II-B-9	cell B26	Return on Rate Base
6) Data Source	CEHE RFP Schedules Errata - 1.xlsx	I-A-1	Column No. 3, Line 6 "Return on Rate Base"	Calculates from Schedule
7) Hardcoded number	CEHE RFP Workpapers Errata - 1.xlsx	WP II-E-3.15	cell F23	Pre-tax Income Per Books
7) Data Source	CEHE RFP Schedules Errata - 1.xlsx	II-E-3.15	cell E 28 (Line number 14)	Calculates from Schedule
8) Hardcoded number	CEHE RFP Schedules Errata - 1.xlsx	I-A	Column Nos. 1 and 2, Lines 3 through 16	
8) Data Source	Schedule H-I-J and CA Errata - 1.xlsx	WP/1-A		Calculates from Schedules

#### 7. CenterPoint Energy Houston Electric, LLC Contact

Questions can be directed to the Company's designated representatives referenced in its application in the Statement of Intent.

#### 8. List of Supporting files (Not Linked to RFP Schedules)

The supporting files in the folders below are *not linked* to the RFP Schedules. They are additional information which support amounts sourced within the main RFP Schedules.

*Supports CEHE RFP Workpapers Errata - 1:*

- II-B-14 Pension Deferral Workbook
- II-C-2.4.1 Outstanding Debt
- II-C-2.9.1 WP Support
- Errata 1 II-E-2.1 FF WP Property Tax Functionalization Support
- WP Employee Expenses Adj

*Supports Schedule H-I-J and CA ERRATA - 1:*



f. WP-II-H-2.2

*Supports \_CEHE RFP Schedules – V-K ERRATA - 1*

g. V-K-9.1 Corporate Services SKFs\_CONFIDENTIAL

h. V-K-9.2 CERC SKFs

i. V-K-9.3 Customer Ops SKFs

j. V-K-12-2.1 and V-K-12-2.2\_CONFIDENTIAL

### **CERTIFICATE OF SERVICE**

I hereby certify that on this 17<sup>th</sup> day of June 2019, a true and correct copy of the foregoing document was served on all parties of record in accordance with 16 Tex. Admin. Code § 22.74.

  
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