



Control Number: 49421



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

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

June 20, 2019

Contact: Denise Hardcastle  
CenterPoint Energy Houston Electric, LLC  
1111 Louisiana Street  
Houston, Texas 77002  
Tel No: (713) 207-5767  
Fax: (713) 207-9840  
[Denise.Hardcastle@CenterPointEnergy.com](mailto: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  
TEXAS ENERGY ASSOCIATION FOR MARKETERS  
REQUEST NO.: TEAM01-01**

**QUESTION:**

Please refer to page 13 of Mr. Hudson's Direct Testimony. Mr Hudson states that "[t]he Company's unadjusted test year bad debt expense for 2018 was approximately \$65,000 consisting primarily of uncollectible ARO, which was written off." Please confirm or deny that the \$65,000 of unadjusted test year bad debt expense to which Mr. Hudson refers does not include any competitive retailer uncollectible debt.

**ANSWER:**

Confirm.

**SPONSOR (PREPARER):**

John Hudson (John Hudson)

**RESPONSIVE DOCUMENTS:**

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
2019 CEHE RATE CASE  
DOCKET 49421-SOAH DOCKET NO. 473-19-3864  
TEXAS ENERGY ASSOCIATION FOR MARKETERS  
REQUEST NO.: TEAM01-02**

**QUESTION:**

Please reconcile Ms. Colvin's statement in her Direct Testimony at page 12 that adjustment to test year costs for CenterPoint Houston's requested bad debt related regulatory asset has been "functionalized to Metering," with Schedule II-D-2-2a.1, which shows functionalization to "TDCS."

**ANSWER:**

FERC Account 9040 is correctly functionalized to TDCS, as shown on CEHE RFP Schedules II-D-2.2a.1 and the associated amortization on Schedule II-E-4.1, as compared to the Direct Testimony of Kristie Colvin. An errata filing correcting the error in testimony was filed on June 14, 2019.

**SPONSOR (PREPARER):**  
Kristie Colvin (Kristie Colvin)

**RESPONSIVE DOCUMENTS:**  
None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
2019 CEHE RATE CASE  
DOCKET 49421-SOAH DOCKET NO. 473-19-3864  
TEXAS ENERGY ASSOCIATION FOR MARKETERS  
REQUEST NO.: TEAM01-03**

**QUESTION:**

Please refer to Schedule II-D-2.2a.1; for each of the retailers that are associated with the expense labeled as bad debt, please provide the amount of any deposits requested and deposits held by CenterPoint for each of those retailers.

**ANSWER:**

Please see CEHE RFP Workpapers WP II-D-2.2a.1a, WP II-D-2.2a.1b, and WP II-D-2.2a.1c for deposit amounts for each retailer. The deposit amounts have not changed since the original filing.

A wires deposit of \$389,800 was requested from TexRep1, LLC 07/20/2012, but this deposit was never received due to the 07/12/2012 ERCOT mass transition.

**SPONSOR (PREPARER):**  
Kristie Colvin (Kristie Colvin)

**RESPONSIVE DOCUMENTS:**  
None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
2019 CEHE RATE CASE  
DOCKET 49421-SOAH DOCKET NO. 473-19-3864  
TEXAS ENERGY ASSOCIATION FOR MARKETERS  
REQUEST NO.: TEAM01-04**

**QUESTION:**

Please identify any and all payments, disbursements, or monies (together, "payments") received by CenterPoint Houston after the final default of any of the defaulted competitive retailers listed on Schedule II-D-2.2a.1 that was intended to aid in satisfying the defaulted competitive retailer's outstanding debt with CenterPoint Houston. For each of the payments identified, please specify the payment source, date, and amount, and describe whether and how the payment is reflected in Schedule II-D-2.2a.1.

**ANSWER:**

Please see CEHE RFP Workpapers WP II-D-2.2a.1a, WP II-D-2.2a.1b, and WP II-D-2.2a.1c for payments, disbursements, or monies received by CenterPoint Houston after the final default of the defaulted competitive retailers listed on Schedule II-D-2.2a.1. The previously mentioned workpapers flow into WP II-D-2.2a.1 which flows into Schedule II-D-2.2a.1. The amounts for payments, disbursements, or monies received have not changed since the original filing.

**SPONSOR (PREPARER):**

Kristie Colvin (Kristie Colvin)

**RESPONSIVE DOCUMENTS:**

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
2019 CEHE RATE CASE  
DOCKET 49421-SOAH DOCKET NO. 473-19-3864  
TEXAS ENERGY ASSOCIATION FOR MARKETERS  
REQUEST NO.: TEAM01-05**

**QUESTION:**

Please refer to WP/Acct. 904. Please explain why CenterPoint Houston chose a to allocate 87.30% its bad debt related regulatory asset to the residential class and 12.70% of its bad debt related regulatory asset to the secondary volt. =< 10kva class.

**ANSWER:**

For further detail please see the rebuttal testimony of Matt Troxle. The Company tracks bad debt expense by rate class and in preparing the response to this RFI realized that the Company had incorrectly allocated them. This does not impact the revenue requirement. A table representing the correct allocation is shown in TEAM01-05 Attachment 1.pdf.

**SPONSOR (PREPARER):**

Matthew Troxle (Matthew Troxle)

**RESPONSIVE DOCUMENTS:**

TEAM01-05 Attachment 1.pdf

Allocation to Rate Classes	RES	SVS	SVL	PVS	TVS	SLS	MLS	Write-off total
Abacus Resources Energy, LLC	21,004.32	93.90	243.29	-	-	-	-	21,341.52
TexRep1, LLC	182,471.13	972.68	23,282.30	-	-	82.78	144.87	206,953.76
TruSmart Energy, LLC	242,130.24	3,622.33	37,213.80	-	-	-	28.30	282,994.67
Competitive Retailer Bad Debt in Rates	817,396.22	62,542.87	118,312.92	10,476.73	7,725.26	36,403.97	5,397.10	1,058,255.07
<b>Total</b>	<b>1,263,001.91</b>	<b>67,231.79</b>	<b>179,052.31</b>	<b>10,476.73</b>	<b>7,725.26</b>	<b>36,486.76</b>	<b>5,570.27</b>	<b>1,569,545.02</b>
<i>Total Rate Class %</i>	<i>80.48%</i>	<i>4.28%</i>	<i>11.41%</i>	<i>0.67%</i>	<i>0.49%</i>	<i>2.32%</i>	<i>0.35%</i>	<i>100.00%</i>
Allocation to Rate Classes	RES	SVS	SVL	PVS	TVS	SLS	MLS	Total
1/3 to requested cost of service*	421,000.64	22,410.60	59,684.10	3,492.24	2,575.09	12,162.25	1,856.76	523,181.68
*Company requested a 3 year amortization of the regulatory asset.								



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2019 CEHE RATE CASE  
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TEXAS ENERGY ASSOCIATION FOR MARKETERS  
REQUEST NO.: TEAM01-06**

**QUESTION:**

Please provide WP/II-D-1 Adj. 3 referenced in Ms. Colvin's Direct Testimony at page 12 or specific instructions on how to access that work paper, which we have been unable to locate.

**ANSWER:**

The adjustment referenced in Ms. Colvin's Direct Testimony can be found in the file CEHE RFP Workpapers, tab "WP II-D-1" and column F which is labeled WP II-D-1 Adj 3 Bad Debt.

**SPONSOR (PREPARER):**

Kristie Colvin (Kristie Colvin)

**RESPONSIVE DOCUMENTS:**

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
2019 CEHE RATE CASE  
DOCKET 49421-SOAH DOCKET NO. 473-19-3864  
TEXAS ENERGY ASSOCIATION FOR MARKETERS  
REQUEST NO.: TEAM01-07**

**QUESTION:**

Please describe the amortization and any recovery of the Competitive Retailer Bad Debt in Rates, which is shown in Schedule II-D-2-2a.1 as allocating approximately \$1.058 million to Texas.

**ANSWER:**

CenterPoint Houston is not currently amortizing or recovering the \$1.058M of bad debt in rates. The Company is requesting the same recovery and amortization as the other bad debt which totals \$1.57M. Bad Debt (inclusive of the \$1.058M) is shown as a regulatory asset on Schedule II-B-12 and on Schedule II-E-4.1.1. is being proposed to recover this asset over a three year amortization period.

**SPONSOR (PREPARER):**

Kristie Colvin (Kristie Colvin)

**RESPONSIVE DOCUMENTS:**

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**2019 CEHE RATE CASE**  
**DOCKET 49421-SOAH DOCKET NO. 473-19-3864**  
**TEXAS ENERGY ASSOCIATION FOR MARKETERS**  
**REQUEST NO.: TEAM01-08**

**QUESTION:**

Does CenterPoint consider the Natural Gas Standby Generator program to be a competitive energy service? For reference, the program can be found at <https://www.centerpointenergy.com/en-us/residential/services/natural-gas/natural-gas-appliances/natural-gas-standby-generators?sa=ho>.

**ANSWER:**

The term "competitive energy service" is defined in section 25.341 of the Commission's rules as "Customer energy services business activities that are capable of being provided on a competitive basis in the retail market" and includes the "marketing" or "sale" of "power -generation equipment . . . or other electric apparatus and infrastructure located on the customer's side of the point of delivery that is owned by the customer or by a third-party entity that is not an electric utility." The Natural Gas Standby Generator program encourages retail consumers to purchase natural gas standby generators from selected third-party dealers who have agreed to offer discounted pricing to consumers who request a quote through the program's website. The Natural Gas Standby Generator program is a competitive energy service as defined in section 25.341 of the Commission's rules because, under the program, CenterPoint Energy Resources Corp. engages in the marketing of power-generation equipment, and the selected third-party dealers engage in the sale of power-generation equipment.

**SPONSOR (PREPARER):**  
Mickey Moon

**RESPONSIVE DOCUMENTS:**  
None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**2019 CEHE RATE CASE**  
**DOCKET 49421-SOAH DOCKET NO. 473-19-3864**  
**TEXAS ENERGY ASSOCIATION FOR MARKETERS**  
**REQUEST NO.: TEAM01-09**

**QUESTION:**

What affiliate of CenterPoint Houston provides the Natural Gas Standby Generator Program? Does CenterPoint Houston consider that company a competitive affiliate? Please explain the basis for this determination.

**ANSWER:**


CenterPoint Energy Resources Corp. (CERC) is the affiliate of CenterPoint Houston that markets the Natural Gas Standby Generator Program. The selected dealers that offer to sell natural gas standby generators at a discount under the program are unaffiliated entities. CERC is a natural gas public utility and not a competitive affiliate of CenterPoint Houston. The competitive energy services definition in section 25.341 is intended to identify the business activities that electric utilities themselves are prohibited from performing pursuant to sections 25.342 and 25.343 of the Commission's rules. The competitive energy services definition in section 25.341 is not intended to identify the competitive affiliates of electric utilities pursuant to section 25.272 of the Commission's rules.

**SPONSOR (PREPARER):**  
Mickey Moon

**RESPONSIVE DOCUMENTS:**  
None

### **CERTIFICATE OF SERVICE**

I hereby certify that on this 20<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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