



Control Number: 49421



Item Number: 652

Addendum StartPage: 0

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

2019-06-24 14:43

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

June 24, 2019

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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.: PUC17-01**

QUESTION:

Troxle Rebuttal, Page 7 (4CP): Please confirm that a customer that contributes to CenterPoint's own system 4CP demand, but contributes nothing to CenterPoint's demand at the times of the ERCOT system 4CP, does not cause CenterPoint to incur wholesale transmission charges. If the response is anything other than an unqualified "confirm," please explain fully and provide all relevant citations and workpapers.

ANSWER:

Deny. In this scenario the customer has essentially become a "free rider" and shifted costs incurred to serve them to others. The wholesale transmission charges that CenterPoint Energy, as a Distribution Service Provider (DSP), pays are calculated by multiplying CenterPoint Energy's ERCOT 4CP load by the ERCOT Postage Stamp Rate. The customer did not contribute to the ERCOT 4CP load, but they did contribute to the ERCOT Postage Stamp Rate. This is because CenterPoint Energy facilities were built to serve the customer, thus they are reflected in the CenterPoint Energy Transmission Cost of Service that is reflected in the ERCOT Postage Stamp Rate.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-02**

QUESTION:

Troxle Rebuttal, Page 7 (4CP): Please confirm that a customer that contributes nothing to CenterPoint's own system 4CP demand, but does contribute to CenterPoint's demand at the times of the ERCOT system 4CP, does cause CenterPoint to incur wholesale transmission charges. If the response is anything other than an unqualified "confirm," please explain fully and provide all relevant citations and workpapers.

ANSWER:

Confirmed.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-03**

QUESTION:

Troxle Rebuttal, Page 5 (4CP): Please confirm that Mr. Murphy does not argue that the Company should utilize the ERCOT 4CP to allocate CenterPoint's distribution costs. If the response is anything other than an unqualified "confirm," please explain fully and provide all relevant citations and workpapers, including a citation to Mr. Murphy's testimony where he recommends applying the ERCOT 4CP allocation factor to CenterPoint's retail distribution costs.

ANSWER:

Page 5 of Troxle's Rebuttal Testimony does not address retail distribution costs but rather the allocation of the Company's wholesale transmission costs, which Mr. Murphy argues should be allocated by the ERCOT 4CP.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-04**

QUESTION:

Troxle at 6: "The CEHE 4CP is based on the peak demand of the CenterPoint Houston system, while the ERCOT 4CP is based on the peak demand of the entire ERCOT system, which encompasses CenterPoint Houston's system plus the transmission systems of other electric utilities in the ERCOT region." Do CenterPoint's retail customers receive transmission services exclusively through CenterPoint's transmission system, or do they receive transmission services from the transmission systems of all TSPs on the ERCOT transmission grid? Please explain.

ANSWER:

No. Not exclusively. As CenterPoint Energy owns the transmission facilities in the CenterPoint Energy service territory, energy will flow over the CenterPoint Energy transmission facilities, but the path that power takes to reach the service territory will depend upon how ERCOT has dispatched generation assets. While CenterPoint Energy may not "physically use" the transmission facilities of all Transmission Service Providers on the ERCOT transmission grid, the "postage stamp rate" methodology assumes that when you serve load as a Distribution Service Provider you are "using" your load ratio share of all of the TSP's facilities in ERCOT.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-05**

QUESTION:

Troxle at 6: "The CEHE 4CP is based on the peak demand of the CenterPoint Houston system, while the ER COT 4CP is based on the peak demand of the entire ERCOT system, which encompasses CenterPoint Houston's system plus the transmission systems of other electric utilities in the ERCOT region." Do the wholesale transmission charges CEHE requests to be included in the transmission system charges to retail customers include wholesale transmission charges assessed by all TSPs in the ERCOT transmission grid, or only the transmission charges assessed by CEHE acting in its role as a TSP? Please explain.

ANSWER:

The base rate Transmission Charge that CenterPoint Energy is proposing be applied to the retail customer classes is the result of the CenterPoint Energy Transmission function revenue requirement and the Net Whole Payment Matrix that is reproduced in Schedule III-A TCOS Calculation, which utilizes the new CenterPoint Energy Transmission function revenue requirement and shows the total amount that CenterPoint Energy, as a Distribution Service Provider (DSP), must pay to all Transmission Service Providers (TSPs) in ERCOT. The difference in CenterPoint Energy's Transmission function revenue requirement and the total amount that CenterPoint Energy DSP must pay to the other TSPs in ERCOT is the amount recorded in FERC Account 565.

SPONSOR (PREPARER):
Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:
None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-06**

QUESTION:

Troxle at 7. "Pursuant to 16 Tex. Admin. Code§ 25.192 ('TAC'), the ERCOT 4CP sets the rate that all transmission service providers ('TSPs') in ERCOT must charge and all distribution service providers ('DSPs') in ERCOT must pay for wholesale transmission service, based on how all the DSPs contribute to the whole ERCOT system peak demand." Does Mr. Troxle believe that a DSP's demands that contribute to ERCOT system peak demands cause ERCOT transmission payments to be incurred by a DSP? Why does Mr. Troxle believe that the class demands used in his allocation approach, which are not directly tied to the demands that cause CEHE to incur wholesale transmission charges, are superior from the standpoint of cost causation as compared to the use of the class demands which are directly tied to the demands that cause CEHE to incur wholesale transmission charges (class contribution to ERCOT 4CP)?

ANSWER:

A DSP's demands that contribute to ERCOT system peak demands do cause ERCOT transmission payments to be incurred by a DSP.

CenterPoint Houston's recommendation to allocate based upon the CEHE 4CP instead of the ERCOT 4CP is due to the fact that the current proceeding is a CenterPoint Houston rate case, not an ERCOT Rate Case. Using the ERCOT 4CP to allocate costs in the CenterPoint Houston Transmission Function fails to recognize that those costs were caused by the need to serve the CEHE 4CP. If any portion of the CenterPoint Houston Transmission Function were to be allocated on the ERCOT 4CP, it would be FERC Account 565, which is the account that reflects the payments to other TSPs. However, that is not what the Company has proposed in this case as the prior precedent was that all of the FERC accounts were allocated in the same fashion.

It should be pointed out that under the CenterPoint Houston recommendation, only the allocation changes to the CEHE 4CP. The billing determinants that are used to determine the individual customer responsibility remains the ERCOT 4CP values. So a customer's Transmission charge still "matches" their contribution to the ERCOT 4CP, meaning they are still charged based upon their "ERCOT cost causation."

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-07**

QUESTION:

Troxle Rebuttal, Page 7 (4CP): Please confirm that the ERCOT transmission system is built primarily to serve the ERCOT system peak demand. If the response is anything other than an unqualified "confirm;" please explain fully and provide all relevant citations and workpapers.

ANSWER:

Deny. ERCOT is not a Transmission Service Provider (TSP) and does not build the ERCOT Transmission system. The ERCOT Transmission system is the sum of the individual TSP systems in ERCOT. I am not in a position to say how or why the other TSPs build their systems, but CenterPoint Houston primarily builds its system to serve its peak demand. This may not be the case for entities that are solely a TSP, but CenterPoint Houston is both a TSP and a DSP and must make sure that its Transmission facilities are adequate to serve its own peak load so that its customers do not experience blackouts.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-08**

QUESTION:

Troxle Rebuttal, Page 7 (4CP): Please confirm that CenterPoint incurs wholesale transmission charges based on the aggregate of CenterPoint's customers' load at the times of the ERCOT system 4CP. If the response is anything other than an unqualified "confirm," please explain fully and provide all relevant citations and work papers.

ANSWER:

Confirm.

SPONSOR (PREPARER):
Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:
None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-09**

QUESTION:

Troxle Rebuttal, Page 7 (4CP): Please confirm that CenterPoint's 2019 wholesale transmission charges are based on CenterPoint's aggregate customer load at the times of the 2018 ERCOT system 4CP in the amount of 17,323,382.326 kW, as approved by the Commission in Docket No. 48928. If the response is anything other than an unqualified "confirm," please explain fully and provide all relevant citations and workpapers.

ANSWER:

Confirm.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-10**

QUESTION:

Troxle Rebuttal, Page 7 (4CP): Please confirm that CenterPoint's 2019 wholesale transmission charges are not based on the Company's own system peak demand. If the response is anything other than an unqualified "confirm," please explain fully and provide all relevant citations and workpapers.

ANSWER:

Confirm.

SPONSOR (PREPARER):
Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:
None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-11**

QUESTION:

Troxle Rebuttal, Page 7 (4CP): Please provide the kilowatt value of the Company's own 2018 4CP system peak demand.

ANSWER:

Please review Schedule II-H-1.3:
Unadjusted CEHE 4CP at the meter: 17,001,150
Unadjusted CEHE 4CP at the source: 17,909,780

SPONSOR (PREPARER):
Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:
None

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-12

QUESTION:

Troxle Rebuttal, Page 8 (4CP): Regarding Mr. Troxle's claim that "the Commission does not dictate how a DSP's transmission costs should be allocated to the various rate classes," please confirm that the Commission order in Docket No. 38339 dictated that CenterPoint's transmission costs should be allocated to the various rate classes using the 4CP transmission cost allocator. If the response is anything other than an unqualified "confirm," please explain fully and provide all relevant citations and workpapers.

ANSWER:

In the sentence after the one quoted in the data request, Mr. Troxle makes it clear that his statement is referring to Commission rules. Mr. Murphy references 25.192 in his testimony, but the Commission does not dictate any allocation in 25.192. Additionally, the Commission's Rate Filing Package does not dictate the allocation factors to be used.

It is true that the Commission ultimately dictates every contested issue in its Orders. In Docket 38339, the Commission ordered the Company to use a 4CP allocator that was not adjusted. In this proceeding, the Company has proposed a 4CP allocator that was not adjusted, consistent with the Docket 38339 Order. In Docket 38339, the issue of ERCOT 4CP vs CEHE 4CP was not raised.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-13**

QUESTION:

Troxle Rebuttal, Page 8 (4CP): Please confirm the 4CP transmission cost allocator that the Commission ordered be used to allocate CenterPoint's transmission costs to the rate classes in Docket No. 38339 was based on the ERCOT system 4CP and not the CenterPoint system 4CP. If the response is anything other than an unqualified "confirm," please explain fully and provide all relevant citations and workpapers.

ANSWER:

Confirm.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-14

QUESTION:

Please refer to RT Troxle at footnote 24. Please provide detailed information about where the cited Errata 1 workpaper can be found. Please be sure to include the item number in the docket, the filing date, the file name, the worksheet names, and the type of medium on which the workpapers cited by Mr. Troxle appear.

ANSWER:

Please see Docket item #584 filed 6/19/2019
Errata 1 WP-Streetlight Rate Design:

- Tariff Comp. Bates pages 2125-2131,
- SLS Rate Design Bates pages 2135-2137, and
- Schedule A to E Bates pages 2138-2147.

Mediums: PDF, Excel, and paper copies were submitted.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-15

QUESTION:

Please refer to the RT of Troxle at 43. Please provide copies of all customer impact analyses prepared by the Company that show the customer impacts on lighting customers' retail delivery charges that will occur as a result of the switch from a non-LED to an equivalent LED "lamp" type. Please be sure to identify both the dollar impacts to customers' retail delivery charges and also the percentage increases or decreases in retail delivery charges that will come about as a result of the switch from non-LED to an LED lamp type.

ANSWER:

Please see WP - Streetlight Rate Design tab Tariff Comp and Errata 1 WP - Streetlight Rate Design tab Tariff Comp for the LED customer impact analysis.

SPONSOR (PREPARER):

Matthew Troxle (Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-16**

QUESTION:

Please refer to the RT of Sugarek at 20. Please explain in detail how the Company plans to recover the costs that will be incurred to install LED lighting for new installations.

ANSWER:

The Company plans to recover the cost through the proposed LED rates.

SPONSOR (PREPARER):

Julienne Sugarek / Matthew Troxle (Julienne Sugarek / Matthew Troxle)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-17**

QUESTION:

Please refer to the RT of Sugarek at 20. Is the Company proposing that its shareholders fund the deployment of LED lighting, and that lighting customers will bear none of the costs of the switch from non-LED to LED lighting in rates? If no, please explain which lighting customers will bear the costs of the switch to LED under the Company's proposal, when, and under what cost recovery mechanisms.

ANSWER:

The Company's shareholders funds provide the invested capital for new LED installations. LED lighting customers will bear the cost of service expense through a rate proceeding or a distribution capital recover factor application under 16 TAC § 25.243. Please see RFI PUC03-19.

SPONSOR (PREPARER):

Matthew Troxle/Julienne Sugarek (Matthew Troxle/Julienne Sugarek)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-18**

QUESTION:

Please refer to the RT of Sugarek at 20. Does the Company plan to include the costs of LED installations in its request in DCRF proceedings between rate cases? If so, does the Company plan to set separate DCRF rates for LED customers and non-LED customers to reflect the different costs of the services received by them, or set one DCRF rate applicable to LED and Non-LED lighting customers?

ANSWER:

Please see RFI PUC03-19 response.

The Company may request recovery of the capital (including a reasonable return) and the reasonable and necessary expenses associated with the conversion through either a distribution capital recover factor application under 16 TAC § 25.243 or other rate proceeding.

The DCRF rate will continue to be a single rate for Lighting Services.

SPONSOR (PREPARER):

Matthew Troxle/Julienne Sugarek (Matthew Troxle/Julienne Sugarek)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-19**

QUESTION:

Please refer to the RT of Sugarek at 20. Under the Company's proposal, who will bear the installation costs for LED lighting installations, when, and under what cost recovery mechanisms?

ANSWER:

The Company investors bear the installation costs and LED lighting customers pay back the investors. Therefore, the Company may request recovery of the capital (including a reasonable return) and the reasonable and necessary expenses associated with the conversion through Commission approved rate recovery mechanisms, most likely either a distribution capital recover factor application under 16 TAC § 25.243 or some other Commission rate proceeding.

SPONSOR (PREPARER):

Matthew Troxle/Julienne Sugarek (Matthew Troxle/Julienne Sugarek)

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-20**

QUESTION:

Please refer to the RT of Sugarek at 22. Does Ms. Sugarek agree that Mr. Murphy relied on an analysis that was performed by CEHE?

ANSWER:

Ms. Sugarek agrees that Mr. Murphy relied on an analysis performed by CenterPoint Houston.

SPONSOR (PREPARER):

Julienne Sugarek (Julienne Sugarek)

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-21**

QUESTION:

Please refer to the RT of Sugarek at 22. If energy savings are an important benefit of the Company's LED lighting proposal, why did the Company not quantify this benefit in the financial analysis performed by the Company that Mr. Murphy referenced in his direct testimony?

ANSWER:

The Company performed an analysis to better understand the costs and benefits associated with adopting LED street lighting as the standard for its customers. The scope of the analysis was limited to the costs and benefits from CenterPoint Houston's vantage point.

The Company did not quantify the benefit of potential cost savings for customers due to the growth of LED installations because of its position as a Transmission and Distribution Service Provider. The deregulated environment has enabled the use of different rate agreements. As a Transmission and Distribution Services provider, CenterPoint Houston is not privy to the rate agreements between end use customers and Retail Electric Providers. Therefore, any assumptions about what rates end use customers are paying for streetlighting would be subject to challenge.

SPONSOR (PREPARER):

Julienne Sugarek (Julienne Sugarek)

RESPONSIVE DOCUMENTS:

None

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-22

QUESTION:

Please refer to the RT of Sugarek at 22. Does CEHE believe that the Company's lighting customers are capable of considering lighting alternatives and choosing the alternative that is in customers' financial interests? Why or why not?

ANSWER:

CenterPoint Houston agrees that its end use customers may choose the street lighting option that best fits their needs. However, it has been the Company's experience that not all of its customers are aware of the potential savings offered by LED street lighting technologies. This is in contrast to other customers who have realized those potential benefits and are asking the Company to install LED street lighting.

SPONSOR (PREPARER):

Julienne Sugarek (Julienne Sugarek)

RESPONSIVE DOCUMENTS:

None

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864
PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-23

QUESTION:

Please refer to the RT of Sugarek at 20 regarding customer choice. Why does the Company propose to phase out and eventually eliminate the customer's option to select a non-LED lighting type? Why not let the customer choose LED voluntarily rather than having it imposed on the customer? Why is it necessary to mandate LED if the benefits of LED are obvious?

ANSWER:

The primary reason the Company proposes to phase out non-LED street lighting is due to those types of lighting solutions becoming less available and more costly as time progresses. As represented in Exhibit R – JPS-17 and Exhibit R – JPS – 18 of Ms. Sugarek's Rebuttal Testimony, the Company's experience indicates that the street lighting industry is shifting more towards utilizing more efficient LED and smart lighting technologies. Some manufacturers have already ceased production of other, less efficient, streetlighting technologies.

Moreover, as more customers request a transition to LED technology, the costs associated with maintaining non-LED street lighting increase. The Company's request simply acknowledges this fact and informs the Commission as to why moving to an LED standard is prudent at this time. If the Commission determines that the benefit of customer choice outweighs the benefits of customer cost savings and lower O&M expense associated with LED, then the Company will, of course, abide by the Commission's direction.

Additionally, CenterPoint Houston supports allowing customers that actively pursue upgrading their streetlighting solutions to LED the right to do so. It is possible that some customers may not be aware of the potential savings that LED can offer them, and therefore do not actively request a conversion. By converting these existing streetlights to LED, these customers will experience savings on their monthly energy bills just like the other customers in our territory that have actively requested the conversion.

SPONSOR (PREPARER):

Julienne Sugarek (Julienne Sugarek)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-24**

QUESTION:

Please refer to the RT of Sugarek at 22 regarding energy savings. Has the Company attempted to discuss the energy savings and other benefits of LED lighting with its lighting customers, outside the groups of customers included in its LED lighting pilot programs? If so, what incremental costs would the Company incur, if any, to present LED lighting alternatives to customers as an option? Put differently, what customer-related costs, if any, would the Company avoid by mandating LED lighting under the tariff rather than presenting it as an option and letting customers decide for themselves?

ANSWER:

As requested by interested parties, the Company presents information on LED lighting solutions. There are no incremental costs incurred to provide this information to customers. The incremental costs avoided by making LED the standard lighting option are the O&M costs associated with bulb replacement for less efficient technologies.

SPONSOR (PREPARER):

Julienne Sugarek (Julienne Sugarek)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-25**

QUESTION:

Please refer to the RT of Sugarek at 23 regarding the expectations of increasing costs of non-LED lighting. Does Ms. Sugarek believe that the higher lighting rates for non-LED options, which would rise along with the increased costs to CEHE of non-LED installations, would be a factor that customers would consider in their decision to continue to use non-LED lighting or make the switch to LED? Why does the expectation of rising costs of non-LED necessitate removing customer discretion to choose non-LED now? Why not trust the customer to select the lighting type that is in his or her best interest, allowing the customer to abandon the non-LED lighting type when the customer sees the financial benefit? Why is it necessary to force the customer into LED now?

ANSWER:

As an initial matter, the Company disagrees with the question's premise of "forcing" the customer into LED now. As noted in her rebuttal testimony, Ms. Sugarek believes that, today, there is price parity between new installations of LED and non-LED solutions. However, the primary reason the Company proposes to phase out non-LED street lighting types is due to those lighting solutions becoming scarcer as time progresses. As represented in Exhibit R – JPS-17 and Exhibit R – JPS – 18 of Ms. Sugarek's Rebuttal Testimony, the Company's experience has been that the street lighting industry is shifting more towards utilizing more efficient LED and smart lighting technologies. Some manufacturers have already ceased production of other, less efficient, streetlighting technologies. Further, the Company is not proposing to remove the customer's discretion. Within the LED lighting family there are many options to choose from. LED lighting solutions are available in a variety of luminaire types, wattages and colors. Decorative and non-decorative options are also available to fulfill a customer's street lighting needs.

SPONSOR (PREPARER):

Julienne Sugarek (Julienne Sugarek)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-26**

QUESTION:

Please refer to the RT of Troxle at 45 regarding the functionalization of UEDIT. Please provide the total amount of unprotected transmission plant related EDIT at the time of Docket No. 48065 that was used to develop the Company's Commission approved rates in that docket. Please also provide the remaining amount yet to be refunded to customers.

ANSWER:

The estimated balance of unprotected plant related EDIT regulatory liability at the time of Docket No. 48065 that was used to develop the Company's Commission approved rates in that docket is \$23,551,422.

Please see the attachment provided in response to PUC02-41U updated through April for the remaining amount to be refunded to customers using CenterPoint Houston's proposed allocation factors in this proceeding. To calculate only the amount for unprotected PP&E EDIT regulatory liability go to the "PUC02-41 EDIT" tab and remove the unprotected other balance in excel Cell I9. The remaining EDIT regulatory liability plant balance will be functionalized in excel cells I27 to I30.

SPONSOR (PREPARER):

Charles Pringle (Charles Pringle)

RESPONSIVE DOCUMENTS:

None

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

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC17-27**

QUESTION:

Please refer to the RT of Troxle at 45 regarding the functionalization of UEDIT. Please provide the total amount of unprotected distribution plant related EDIT at the time of Docket No. 48226 that was used to develop the Company's Commission approved rates in that docket. Please also provide the remaining amount yet to be refunded to customers.

ANSWER:

The estimated balance of unprotected plant related EDIT regulatory liability at the time of Docket No. 48226 that was used to develop the Company's Commission approved rates in that docket is \$99,299,383.

Please see the attachment provided in response to PUC02-41U updated through April for the remaining amount to be refunded to customers using CenterPoint Houston's proposed allocation factors in this proceeding. To calculate only the amount for unprotected PP&E EDIT regulatory liability go to the "PUC02-41 EDIT" tab and remove the unprotected other balance in excel Cell I9. The remaining EDIT regulatory liability plant balance will be functionalized in excel cells I27 to I30.

SPONSOR (PREPARER):

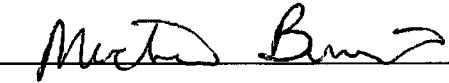
Charles Pringle (Charles Pringle)

RESPONSIVE DOCUMENTS:

None

CERTIFICATE OF SERVICE

I hereby certify that on this 24th 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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