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Public Utility Commission of Texas

Memorandum

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PUBLIC UTILITY COMMISSION
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To: Stephen D. Journeay, Commission Advising

From: Darryl Tietjen, Rate Regulation

Re: **Request for Clarification** of Commission Request for Number Runs Based on November 14, 2019 Open Meeting Discussion Regarding Proposal for Decision in ***Docket No. 49421, Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates***

Date: November 22, 2019

In response to the Commission's request for number runs based on the discussion at the November 14, 2019 Open Meeting, Staff requests clarification and guidance regarding the issues listed below. These items were discussed by the Commission as potential changes to the Proposal for Decision (PFD), but they were not included in the November 15, 2019 memorandum containing the number running instructions.

1. **Allocation of Texas Margin Tax and Miscellaneous General Expense** – update from the hard-coded allocation numbers in the PFD number run to internal dynamic allocation numbers (Open Meeting Transcript at 83:13-19 and 128:18-21).
2. **Allocation of demand-related distribution costs** – overturn the PFD and allocate demand-related distribution costs based on NCP (Open Meeting Transcript at 89:14-20 and 128:24-129:1).
3. **Meter Charge Rate Design** – overturn the PFD and establish the meter charge on a per-meter basis (maintaining the customer charge on a per-customer basis) (Open Meeting Transcript at 157:10-20).

To provide comprehensive and accurate number run results, Staff respectfully requests guidance as to whether the number run should reflect the above changes to the PFD number run in addition to the changes to the PFD provided in the November 15, 2019 memorandum.

Please advise if there are any questions regarding this request.

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