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**SOAH DOCKET NO. 473-19-5243
PUC DOCKET NO. 49583**

APPLICATION OF CENTERPOINT § BEFORE THE STATE OFFICE
ENERGY HOUSTON ELECTRIC, LLC §
TO ADJUST ITS ENERGY § OF
EFFICIENCY COST RECOVERY §
FACTOR § ADMINISTRATIVE HEARINGS

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**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S
PROPOSED LIST OF ISSUES**

CenterPoint Energy Houston Electric, LLC (CenterPoint Houston) files its Proposed List of Issues.

I. BACKGROUND

On May 31, 2019, CenterPoint Houston filed its application for an adjustment to its Energy Efficiency Cost Recovery Factor (EECRF). CenterPoint Houston is requesting recovery of \$39,085,969 through its EECRF for program year 2020. This amount is comprised of: (1) estimated energy efficiency program costs of \$37,820,991 for program year 2020; (2) a performance incentive of \$6,740,169 for program year 2018; (3) Evaluation, Measurement, and Verification (EM&V) costs of \$550,514 for program year 2020 assigned by Public Utility Commission of Texas (Commission) Staff; (4) a credit of \$5,920,293 related to the over-recovery of costs for program year 2018; (5) a credit of \$181,214 for the 2018 and 2019 interest related to over-recovery; and (6) rate case expenses of \$75,801 for CenterPoint Houston's 2018 EECRF proceeding.¹

On June 3, 2019, the Commission referred this proceeding to the State Office of Administrative Hearings. In its Order of Referral, the Commission required CenterPoint Houston to file a proposed list of issues by June 13, 2019. CenterPoint Houston's Proposed List of Issues

¹ See generally *Application of CenterPoint Energy Houston Electric, LLC to Adjust its Energy Efficiency Cost Recovery Factor*, Docket No. 48420 (Dec. 10, 2018).

is timely filed.

II. CENTERPOINT HOUSTON'S PROPOSED LIST OF ISSUES

Application

1. Does CenterPoint Houston's EECRF application comply with 16 Tex. Admin. Code § 25.181(d) (TAC) and contain the testimony and schedules in Microsoft Excel format with formulas intact as required by 16 TAC § 25.182(d)(10) and address the factors required by 16 TAC § 25.182(d)(11)?

Program Year 2020

2. What is CenterPoint Houston's growth in demand, as defined in 16 TAC § 25.181(c)(25)?
3. What is CenterPoint Houston's demand reduction goal and energy savings goal for program year 2020, as determined under 16 TAC § 25.181(e)?
 - a. Has CenterPoint Houston requested a lower demand reduction goal under 16 TAC § 25.181(e)(2)? If so, has CenterPoint Houston demonstrated that compliance with the annual energy efficiency goals specified in 16 TAC § 25.181(e)(1) is not reasonably possible and demonstrated that good cause supports the lower demand reduction goal proposed by CenterPoint Houston?
 - i. Is CenterPoint Houston requesting in its application a performance bonus for a prior program year for which it has been granted a lowered demand reduction goal?
 - ii. Were the factors that led to CenterPoint Houston being granted a lowered demand goal for the prior program year similar to the factors that CenterPoint Houston is relying upon to demonstrate that good cause supports the lower demand reduction goal proposed in this proceeding? If so, should the Commission consider CenterPoint Houston's prior performance in determining whether to award a lowered demand goal?
 - b. Has CenterPoint Houston received any identification notices under 16 TAC § 25.181(u)? If so, has CenterPoint Houston's demand reduction goal for program year 2020 been properly adjusted to remove any load that is lost because of the identification notices submitted to CenterPoint Houston?
4. Do the total 2020 EECRF costs, excluding EM&V costs, excluding municipal rate case expenses, and excluding any interest amounts applied to under- or over-recoveries exceed the EECRF cost cap in 16 TAC § 25.182(d)(7)? If so, did CenterPoint Houston request an exception to the EECRF cost cap under 16 TAC § 25.181(e)(2) and, if so, has CenterPoint Houston demonstrated that compliance

with the EECRF cost cap is not reasonably possible and demonstrated that good cause supports the higher EECRF cost cap?

- a. Is CenterPoint Houston requesting in this proceeding a performance bonus for a prior program year for which it has been granted a higher EECRF cost cap?
 - b. If so, were the factors that led to CenterPoint Houston being granted a higher EECRF cost cap for the prior program year similar to the factors that CenterPoint Houston is relying upon to demonstrate that good cause supports a higher EECRF cost cap in this proceeding? If so, should the Commission consider CenterPoint Houston's prior performance in determining whether to award a higher EECRF cost cap?
5. What amount of projected costs for CenterPoint Houston's 2020 energy efficiency programs should be recovered through CenterPoint's EECRF for program year 2020?
 - a. Are these costs reasonable estimates of the costs that are necessary to provide energy efficiency programs and to meet CenterPoint Houston's goals under 16 TAC § 25.181?
 - b. Does CenterPoint Houston currently recover any energy efficiency costs in its base rates? If so, what is the amount of projected program costs in excess of revenues collected through CenterPoint Houston's base rates?
 - c. Are the projected costs of administration and costs of research and development in compliance with the administrative spending caps in 16 TAC § 25.181(g)? If not, has CenterPoint Houston requested an exception to the administrative spending caps under 16 TAC § 25.181(e)(2)? If so, has CenterPoint Houston demonstrated that compliance with the administrative spending cap is not reasonably possible and that good cause supports the requested higher administrative spending cap?
 - i. Is CenterPoint Houston requesting in its application a performance bonus for a prior program year for which it has been granted a higher administrative spending cap?
 - ii. If so, were the factors that led to CenterPoint Houston being granted a higher administrative spending cap for the prior program year similar to the factors that CenterPoint Houston is relying upon to demonstrate that good cause supports the higher administrative spending cap proposed in this proceeding? If so, should the Commission consider CenterPoint Houston's prior performance in determining whether to award a higher administrative spending cap?

- d. Are CenterPoint Houston's projected annual expenditures for the 2020 targeted low income energy efficiency program budget in compliance with 16 TAC § 25.181(p)?
- 6. Does CenterPoint Houston include EM&V costs assigned to CenterPoint Houston, and have any of these EM&V costs already been recovered in a prior EECRF proceeding?

Program Year 2018 Reconciliation

- 7. Were the costs recovered by CenterPoint Houston through its EECRF for program year 2018 in compliance with PURA² § 39.905 and 16 TAC §§ 25.181 and 25.182?
- 8. Were the costs recovered by CenterPoint Houston through its EECRF for program year 2018 reasonable and necessary to reduce demand growth or energy consumption?
 - a. Are the actual costs of administration and the actual costs of research and development for program year 2018 in compliance with the administrative spending caps in 16 TAC § 25.181(g) or higher spending caps established by the Commission? If higher spending caps were established by the Commission, in which docket did the Commission establish such spending caps?
 - b. Did any costs for program year 2018 result from payments to an affiliate? If so, do such costs meet the requirements for affiliate expenses listed in PURA § 36.058?
 - c. Does the EECRF application include, as administrative costs or otherwise, EECRF rate case expenses for CenterPoint Houston's EECRF proceeding in Docket No. 48420?³
 - i. Do the requested EECRF rate case expenses comply with 16 TAC § 25.245(b)(1)-(6)?
 - ii. Using the factors in 16 TAC § 25.245(c)(1)-(6), what amount of rate case expenses actually and reasonably incurred by CenterPoint Houston, if any, does a preponderance of the evidence support?
 - iii. Should any of CenterPoint Houston's rate case expenses be disallowed under 16 TAC § 25.245(d)? If so, how was the disallowance calculated?

² Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016.

³ See generally *Application of CenterPoint Energy Houston Electric, LLC to Adjust its Energy Efficiency Cost Recovery Factor*, Docket No. 48420 (Dec. 10, 2018).

- iv. What amount, if any, of CenterPoint Houston's rate-case expenses should the Commission award under PURA §§ 36.061(b) and 36.062?
- d. Does the EECRF application include, as administrative costs or otherwise, any municipality's EECRF rate case expenses for CenterPoint Houston's EECRF proceeding in Docket No. 48420?⁴
 - i. Do the municipality's requested EECRF rate case expenses comply with 16 TAC § 25.245(b)(1)-(6)?
 - ii. Using the factors in 16 TAC § 25.245(c)(1)-(6), what amount of rate case expenses actually and reasonably incurred by the municipality, if any, does a preponderance of the evidence support?
 - iii. Should any of the municipality's rate case expenses be disallowed under 16 TAC § 25.245(d)? If so, how was the disallowance calculated?
 - iv. What amount, if any, of the municipality's rate-case expenses should the Commission award under PURA § 33.023(b) that are not excluded by PURA § 36.062?
- 9. For each of CenterPoint Houston's proposed EECRF rate classes, what is the amount, if any, of under- or over-recovered EECRF costs under 16 TAC § 25.182 for program year 2018?
 - a. Did CenterPoint Houston recover any of its energy efficiency costs through base rates for program year 2018? If so, what is the actual amount of energy efficiency revenues collected through CenterPoint Houston's base rates under 16 TAC § 25.182(d)(2)?
 - b. What was the actual revenue collected through CenterPoint Houston's EECRF for program year 2018?
 - c. What were the actual costs that comply with 16 TAC § 25.182(d)(12) for CenterPoint Houston's energy efficiency programs for program year 2018?

Performance Bonus

- 10. What were CenterPoint Houston's demand reduction and energy reduction goals for program year 2018? If the Commission granted an exception for a lower demand reduction goal, in what docket did the Commission grant such an exception?

⁴ See generally *Application of CenterPoint Energy Houston Electric, LLC to Adjust its Energy Efficiency Cost Recovery Factor*, Docket No. 48420 (Dec. 10, 2018).

11. What is the performance bonus, if any, calculated under 16 TAC § 25.182(e) for program year 2018?
- a. Did CenterPoint Houston exceed its demand reduction and energy reduction goals for program year 2018? If so, by what amounts?
 - b. Did CenterPoint Houston exceed the EECRF cost caps listed in 16 TAC § 25.182(d)(7)?
 - c. What are the net benefits of CenterPoint Houston's energy efficiency programs for program year 2018?
 - d. If a performance bonus is requested for program year 2018, was the performance bonus, if any, that was awarded based on the 2017 program year included in the program costs for purposes of this calculation?
 - e. Did the Commission grant a good cause exception to establish a lower demand reduction goal, higher administrative spending cap, or higher EECRF cost cap for CenterPoint Houston for program year 2018?
 - i. For program year 2018, what factors did CenterPoint Houston rely upon to demonstrate that compliance with its demand reduction goal, the administrative spending cap, or the EECRF cost cap was not reasonably possible?
 - ii. Has CenterPoint Houston established that the factors it relied upon to demonstrate that compliance with the demand reduction goal, the administrative spending cap, or the EECRF cost cap was not reasonably possible have actually occurred?
 - iii. What other considerations, if any, should the Commission weigh in determining whether to reduce CenterPoint Houston's performance bonus?
 - iv. Should the Commission deny the entire amount of the requested performance bonus? If not, what amount of CenterPoint Houston's requested performance bonus should be approved? In answering this issue, what are the parties' proposed methodologies for Commission approval of a portion of the bonus, and are the calculations and the data upon which any proposed methodologies are based on included in the evidentiary record?

EECRF Rate Classes

12. What are the proper EECRF rate classes for CenterPoint Houston's 2020 EECRF?
- a. What retail rate classes were approved in CenterPoint Houston's most recent base rate proceeding, excluding non-eligible customers?

- b. Has CenterPoint Houston proposed an EECRF for each eligible rate class?
- c. Has CenterPoint Houston requested a good cause exception under 16 TAC § 25.181(d)(2) to combine one or more rate classes? If so, for each rate class that is proposed to be combined, does the rate class have fewer than twenty customers, is the rate class similar to the other rate classes, and does it receive services under the same energy efficiency programs as the other rate classes? Has CenterPoint Houston demonstrated that good cause supports the proposed combining of rate classes?

EECRF Rate Design

- 13. What is the total cost that should be recovered through CenterPoint Houston's 2020 EECRF under 16 TAC § 25.182(d)(1)?
- 14. What is the 2020 EECRF for each rate class calculated under 16 TAC § 25.181(d)(2)?
 - a. Are the costs assigned or allocated to rate classes reasonable and compliant with 16 TAC §§ 25.181 and 25.182?
 - i. Are CenterPoint Houston's program costs directly assigned to each EECRF rate class that receives services under the programs to the maximum extent possible, in accordance with 16 TAC § 25.182(d)(2)?
 - ii. Is any bonus allocated consistent with 16 TAC § 25.181(g)?
 - iii. Are administrative costs, including rate case expenses and research and development costs, allocated in accordance with 16 TAC § 25.181(g)?
 - iv. If applicable, how are the EM&V costs assigned to the rate classes, and is the assignment compliant with PURA § 39.905 and 16 TAC § 25.181(o)(1)?
 - v. Are any under- or over-recovered EECRF costs allocated to the rate classes consistent with 16 TAC § 25.182(d)(2)?
 - b. Does CenterPoint Houston propose an EECRF for any commercial rate classes as a demand charge? If so, for each such rate class, do the base rates for that class contain demand charges? For each such rate class, should the EECRF for that rate class be an energy charge or a demand charge?
 - c. What is the estimate of billing determinants for the 2020 program?
 - d. What are the most current, available calculated or estimated system losses and line losses for each eligible rate class?

- i. Were these line losses used in calculating the 2020 EECRF charges?
 - ii. Are the calculated or estimated line losses in the evidentiary record in this docket?
- 15. Do the incentive payments for each customer class in program year 2018 comply with 16 TAC § 25.181(f)?

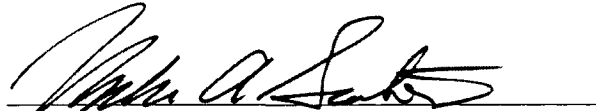
Tariff

- 16. What tariff schedule should be adopted for CenterPoint Houston in compliance with 16 TAC §§ 25.181 and 25.182?

III. CONCLUSION

CenterPoint Houston requests that the Commission issue a preliminary order consistent with the issues listed above.

Respectfully submitted,



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**ATTORNEYS FOR CENTERPOINT
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CERTIFICATE OF SERVICE

I hereby certify that on this 13th 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.



Mark A. Santos