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SOAH DOCKET NO. 473-22-00989
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APPLICATION OF CENTERPOINT §
ENERGY HOUSTON ELECTRIC, LLC §
FOR APPROVAL TO AN ADJUSTMENT §
TO ITS ENERGY EFFICIENCY COST §
RECOVERY FACTOR §

BEFORE THE
STATE OFFICE OF
ADMINISTRATIVE HEARINGS

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July 14, 2022

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**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 53677
SOAH DOCKET NO. 473-22-00989**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC01-01**

QUESTION:

Please identify and quantify all incentive compensation costs (actual and estimated) included in the Company's EECRF administrative expenses separately by incentive compensation plan type for each of the 2021, 2022, and 2023 program years.

ANSWER:

Short Term Incentive ("STI") costs of \$203,866 incurred by the Energy Efficiency department have been included in CenterPoint Energy's 2021 administrative expenses. There are no Long Term Incentive costs included in the EECRF. The Company forecasted labor and administrative expenses for program years 2022 and 2023. However, no forecast is available for the incentive payment portion of administrative expenses for program years 2022 and 2023.

SPONSOR (PREPARER):

Shea Richardson

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 53677
SOAH DOCKET NO. 473-22-00989**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC01-02**

QUESTION:

For each type of incentive compensation identified in Staff's RFI Question No. 1-1 above, please identify and quantify separately the payments for operational performance measures and financial performance measures. For purposes of this request, consider any incentive compensation to be financially based if its payment or amount is based on, derived from, or calculated using inputs from a balance sheet, income statement, or other financial report.

ANSWER:

The 2021 Short Term Incentive ("STI") costs identified in PUC01-01 are categorized in the attached document PUC01-02 Incentive Compensation.pdf.

SPONSOR (PREPARER):

Shea Richardson

RESPONSIVE DOCUMENTS:

PUC01-02 Incentive Compensation.pdf

The Company's short term incentive goals are designed to ensure we are aligned on key metrics that measure how well we are performing as a company. The overall design focuses on common goals across the enterprise, including Financial Performance, Operational Performance, Customer Satisfaction and Safety Performance.

	Financial		Operational	Customer Satisfaction	Safety	
	<u>Overall Company Core Net Income</u>	<u>Utility Diluted Earnings Per Share</u>	<u>Overall O&M Expenditures</u>	<u>Customer Satisfaction Composite</u>	<u>Overall Company Safety Performance Composite</u>	<u>Total</u>
Short-Term Incentive Compensation by Category	\$ 97,577	\$ 15,752	\$ 60,637	\$ 24,882	\$ 5,018	\$ 203,866

The Company does not agree with the premise in the request that STI goals are financially-based if its payment or amount is based on, derived from, or calculated using inputs from a balance sheet, income statement, or other financial report. However, using the table above, the Core Net Income, Earnings Per Share and O&M Expenditures goals would be captured in this classification.

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 53677
SOAH DOCKET NO. 473-22-00989**

**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST NO.: PUC01-03**

QUESTION:

For any of the payments based on financial measures identified in response to Staff's RFI Question No. 1-2 above, please provide the dollar amount(s), if any, of such amounts that are included in the \$6,891 of administrative expenses removed from the Company's request identified in the testimony of CenterPoint witness Shea Richardson at Page 32.

ANSWER:

The \$6,891 of administrative expenses removed from the Company's EECRF do not include any Short Term Incentive costs identified in PUC01-02.

SPONSOR (PREPARER):
Shea Richardson

RESPONSIVE DOCUMENTS:
None

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of July 2022, a true and correct copy of the foregoing document was served upon all parties of record by email pursuant to Order Suspending Rules - PUC Docket No. 50664.


