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**SOAH DOCKET NO. 473-24-13232
PUC DOCKET NO. 56211**

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

May 8, 2024

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- **Please note that the discovery responses were prepared under the direction of the sponsors.**

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232

OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI03-01

QUESTION:

For each of the calendar years 2019 through 2023, please quantify how much the Company paid in dividends to its parent company.

- a. Please explain how the total dividends paid by the Company to its parent company are determined.

ANSWER:

Please refer to CenterPoint Houston's response to Request No. TCUC-RFP01-06. For calendar years 2019–2023, the Company paid \$1,610,200,000.00 in dividends to its parent company.

- a. The Company pays a quarterly dividend equal to 50% of its prior quarter's net income. The Company may pay an additional dividend to true up its capital structure to target if its equity balance was above the target ratio.

SPONSOR:

Jackie Richert

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI03-02**

QUESTION:

For each of the calendar years 2019 through 2023, please quantify how much the Company received in equity infusions from its parent company.

ANSWER:

Please refer to CenterPoint Houston's response to Request No. TCUC-RFP01-06. For calendar years 2019–2023, the Company received \$2,804,100,000.00 in equity infusions from its parent company.

SPONSOR:

Jackie Richert

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI03-03**

QUESTION:

Please identify all adjustments included in the revenue requirement for inflation and provide detailed support for the percent change to all costs for the inflation assumption.

ANSWER:

The Company did not include a specific adjustment related to inflation; however, the Company has seen inflationary impacts on costs as discussed by multiple witnesses, including Lynnae Wilson, Jason Ryan, Ann Bulkley, Eric Easton, Carla Kneipp, David Mercado, and Myles Reynolds.

SPONSOR:

Kristie Colvin/Darren Storey

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI03-04**

QUESTION:

Please describe in detail the Company's accounting for transportation depreciation, as well as the following:

- a. Please explain how it is determined which FERC account will be impacted by the allocation of transportation depreciation; and
- b. Please clarify what percentage, if any, of the transportation depreciation expense was capitalized in 2023. If no transportation depreciation expenses were capitalized in 2023, please provide a detailed explanation as to why the Company does not capitalize these costs.

ANSWER:

- a. Transportation Depreciation costs are initially recorded to transportation cost centers within each operational service area. During month end close, these costs are aggregated, and then applied as an overhead to union labor hours recorded on cost objects such as work orders, cost centers, internal orders and WBSs. The classification of the cost object as either O&M or capital determines the treatment of the transportation depreciation charges on those objects.
- b. The Company capitalized 4.46% of the transportation depreciation expense in 2023.

SPONSOR:

Kristie Colvin

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI03-05**

QUESTION:

Please identify all locations in the revenue requirement for the adjustments made for the removal of the executive position at CenterPoint Energy, Inc. resulting in the \$12.6 million reduction in the revenue requirement.

ANSWER:

Please see the following schedules and workpapers for adjustments in the revenue requirement to remove the executive position at CenterPoint Energy, Inc.. Schedules and workpapers with attendant impacts have not been listed.

Sch I-A-1
Sch I-A-2
Sch II-B
Sch II-B-1
WP II-B-1 Adj 3
Sch II-B-2
WP II-B-2
Sch II-B-3
WP II-B-3
Sch II-D-1
WP II-D-1
WP II-D-1 Adj 4
Sch II-D-2
WP II-D-2
Sch II-E-2
WP II-E-2
Sch V-K-6
WP V-K-6 Former CEO

SPONSOR:

Kristie Colvin/Darren Storey

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI03-06**

QUESTION:

Please identify the mechanism through which the Production Tax Credits ("PTCs") and Investment Tax Credits ("ITCs") are credited back to customers.

ANSWER:

The Company will credit any Inflation Reduction Act related PTCs or ITCs through the proposed tax Rider IRA.

SPONSOR:

Kristie Colvin/Jennifer Story

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI03-07**

QUESTION:

Please describe in detail and provide detailed support as to how storm O&M costs have changed as a result of retrofitting several substations with elevated design.

ANSWER:

CenterPoint Energy has experienced several catastrophic flooding events such as those impacting Galveston Island during Hurricane Ike, and Memorial and Greens Bayou substations during Hurricane Harvey. As a result of these events, CenterPoint Energy has identified and retrofitted existing substations located in high flood risk areas with an elevated design. As of the date of this response, we have not experienced significant flooding events related to the assets that have been elevated.

However, if future flooding events were to occur at a location that was retrofitted with an elevated design, it is anticipated that storm cost reductions would be realized as a result of cost savings in needing to repair flood damaged equipment, restoration efforts, and reducing the need to pre-deploy flood mitigation measures (e.g. flood prevention barriers and substation reconfiguration solutions).

The impact to ongoing routine O&M costs as it relates to retrofitted elevated substation equipment is negligible. Measures such as elevated platforms and manlifts help ensure future maintenance activities can continue without incurring additional O&M costs.

SPONSOR:

David Mercado

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI03-08**

QUESTION:

Please provide copies of all Service Level Agreements ("SLAs") impacting the Company's Rate Filing Package ("RFP").

ANSWER:

For a copy of the SLA between CenterPoint Houston and Service Company, please see Exhibit LDS-5 '2023 CNP Service Company LLC Service Level Agreement for CNP Houston Electric.pdf' included as part of the Company's RFP.

SPONSOR:

Darren Storey

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI03-09**

QUESTION:

Please provide a breakdown of the Company's trade association costs by trade association and identify the percentage removed from each that was attributable to lobbying.

ANSWER:

Please refer to WP II-D-2.6a for the Company's trade association costs.

During the preparation of this discovery response, it was determined that WP II-D-2.6a.1 utilized the totality of the 2024 EEI invoice instead of the Company's portion of the 2023 EEI invoice.

Please see OPUC-RFI03-09 Attachment 1.xlsx for a Revised WP II-D-2.6a.1 schedule.

As a result, the Company's adjustment to remove lobbying amounts related to its EEI dues exceeded the actual amount of lobbying contained in the test year by \$65,181 as seen in Attachment 1.

SPONSOR:

Kristie Colvin

RESPONSIVE DOCUMENTS:

OPUC-RFI03-09 Attachment 1.xlsx

CenterPoint Energy

RFI OPUC 03-09 - Trade Associations and associated Lobbying

Revised WP II-D-2.6a.1

Line No	Vendor	From Invoice					
		A Invoice	B Per OPUC 02-01	C (A*B) CEHE Invoice Portion	D Lobbying %	E (C*D) Lobbying \$	F (C-E) CEHE Total
1	EEI TOTAL	\$ 1,006,705	78.45%	\$ 789,760		\$ 102,881	\$ 686,879
2	REG Act	\$ 874,277	78.45%	\$ 685,870	13%	89,163	\$ 596,707
3	Industry	\$ 87,428	78.45%	\$ 68,587	20%	13,717	\$ 54,870
4	Other	\$ 45,000	78.45%	\$ 35,303	0%	-	\$ 35,303
5	EEI	\$ 71,487	78.45%	\$ 56,082	1%	561	\$ 55,521
6		\$ 1,078,192		\$ 845,842		\$ 103,441	\$ 742,400
Filed WP 11-D-2.6a.1						\$ 168,622	
Removed too much						\$ 65,181	

Note 1 - Per OPUC 02-01 - of the entire \$1,006,705, \$789,720 is related to Houston Electric (78.45%)

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232**

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI03-10**

QUESTION:

Please provide a comparison, in Microsoft Excel format, of budgeted to actual values for the calendar year 2023 for the Company's construction budget. Please also provide an explanation for each variance of 20% or greater.

ANSWER:

A comparison, in Microsoft Excel format, of budgeted to actual values for the calendar year 2023 for the Company's construction budget with explanations for each variance of 20% or greater is included in attachment OPUC-RFI03-10 Attachment 1.

SPONSOR:

Ron Bahr, David Mercado, Randy Pryor, Mandie Shook, Deryl Tumlinson

RESPONSIVE DOCUMENTS:

OPUC-RFI03-10 Attachment 1.xlsx

CEHE Capital Plan

	Plan	Year-to-Date Actual	Variance	% Over/(Under)	Ref
Interconnections	\$ 96.9	\$ 96.9	\$ (0.0)	0%	
Load Growth	\$ 507.7	\$ 742.8	\$ 235.2	32%	{a}
Public Improvements	\$ 29.3	\$ 32.5	\$ 3.3	10%	
System Improvements	\$ 934.9	\$ 783.1	\$ (151.8)	-19%	
Restoration	\$ 68.0	\$ 137.1	\$ 69.1	50%	{b}
Fleet	\$ 25.4	\$ 24.6	\$ (0.7)	-3%	
Construction Overhead	\$ 205.2	\$ 258.8	\$ 53.6	21%	{c}
Utility Operations	\$ 26.6	\$ 20.3	\$ (6.3)	-31%	{d}
IT	\$ 63.1	\$ 48.1	\$ (15.0)	-31%	{e}
General Equipment	\$ 96.0	\$ 93.1	\$ (3.0)	-3%	
Back Up Control Center	\$ -	\$ 0.0	\$ 0.0	0%	
Plan Top-Side	\$ (85.1)	\$ -	\$ 85.1		
Total TDU Capital	\$ 1,968.0	\$ 2,237.3	\$ 269.3		
AMS	\$ 1.7	\$ 2.1	\$ 0.3	16%	
Advanced Digital Systems	\$ 2.5	\$ 0.9	\$ (1.6)	-172%	{f}
Total Smart Grid Capital	\$ 4.2	\$ 3.0	\$ (1.2)		
Total CEHE Capital	\$ 1,972.2	\$ 2,240.3	\$ 268.0		

Variance Explanations

{a}	Increases spend to meet customer load demand.
{b}	Increased spend due to storm/tornado/heat response
{c}	Construction overhead was 21% over 2023 plan due to the capitalization of temporary poles not included in plan.
{d}	Utility Operations was 31% under 2023 plan primarily due to Facilities related projects below plan, including: Santa Fe construction deferred \$3.1M Cypress furniture replacement deferred \$1.1M Harrisburg roof replacement deferred \$1.6M Mag park roof replacement cost less than planned \$1.1M
{e}	IT was 31% under 2023 plan due to the following: Change in allocation of EIP costs made up almost half of the \$15M year-end variance. Less than planned costs associated with the following activities. These are the top contributors: Texas Set Fusion Resiliency Network Refresh BPC Planning & Forecasting
{f}	Advanced Digital Systems was 172% under plan primarily as a result of a shift in effort during Q4 2023 from CEHE to IE for the ADMS System consolidation project. In addition, infrastructure costs planned for 2023 were deferred until Q1 2024 due to a supply change delay.

CEHE Capital Plan

		Year-to-Date			%
		Plan	Actual	Variance	Over/(Under)
Interconnections	HVO	\$ 96.9	\$ 96.9	\$ (0.0)	0%
Load Growth		\$ 507.7	\$ 742.9	\$ 235.2	32%
	HVO	224.8	328.1	103.3	31%
	DO	282.8	414.8	131.9	32%
Public Improvements		\$ 29.3	\$ 32.5	\$ 3.3	10%
	HVO	2.2	6.1	4.0	65%
	DO	27.1	26.4	(0.7)	-3%
System Improvements		\$ 934.9	\$ 783.1	\$ (151.8)	-19%
	HVO	569.4	399.2	(170.2)	-43%
	DO	365.5	383.9	18.4	5%
Restoration		\$ 68.0	\$ 137.1	\$ 69.1	50%
	HVO	2.4	6.5	4.1	63%
	DO	65.5	130.6	65.1	50%
Fleet	Fleet	\$ 25.4	\$ 24.6	\$ (0.7)	-3%
Construction Overhead		\$ 205.2	\$ 258.8	\$ 53.6	21%
	HVO	73.0	111.5	38.5	35%
	DO	93.0	101.5	8.6	8%
	TELECOM	6.5	6.5	(0.0)	0%
	ADS	3.1	2.5	(0.6)	-25%
	GTIS	9.1	7.4	(1.6)	-22%
	Fleet	-	0.1	0.1	100%
	Other	20.6	29.2	8.6	29%
Utility Operations		\$ 26.6	\$ 20.3	\$ (6.3)	-31%
	Facilities	24.4	17.4	(7.0)	-40%
	GIS	2.2	2.9	0.7	23%
IT	TO	\$ 63.1	\$ 48.1	\$ (15.0)	-31%
General Equipment		\$ 96.0	\$ 93.1	\$ (3.0)	-3%
	HVO	4.2	6.4	2.3	35%
	DO	30.0	29.1	(1.0)	-3%
	Fleet	3.6	2.5	(1.0)	-40%
	TO	3.2	6.9	3.6	53%
	TELECOM	39.2	33.7	(5.4)	-16%
	ADS	3.0	4.7	1.7	36%
	MKT	3.8	2.5	(1.3)	-53%
	ENG	3.6	1.4	(2.3)	-165%
	GTIS	-	2.3	2.3	100%

	Other		5.4		3.5	(1.9)	-53%
Back Up Control Center	ADS	\$	-	\$	0.0	\$ 0.0	100%
Plan Top-Side	Other	\$	(85.1)	\$	-	\$ 85.1	
Total TDU Capital		\$	1,968.0	\$	2,237.3	\$ 269.3	
AMS	ADS	\$	1.7	\$	2.1	\$ 0.3	16%
Advanced Digital Systems	ADS	\$	2.5	\$	0.9	\$ (1.6)	-172%
Total Smart Grid Capital		\$	4.2	\$	3.0	\$ (1.2)	-42%
Total CEHE Capital Excluding Freeport		\$	1,972.2	\$	2,240.3	\$ 268.1	12%
Freeport Area Upgrades	Freeport	\$	-	\$	(0.1)	\$ (0.1)	100%
Total CEHE Capital		\$	1,972.2	\$	2,240.2	\$ 268.0	12%

	Year-to-Date			% Over/(Under)
	Plan	Actual	Variance	
HVO	\$ 972.9	\$ 954.8	\$ (18.1)	-2%
DO	864.0	1,086.3	222.3	20%
GTIS	9.1	9.7	0.6	7%
GIS	2.2	2.9	0.7	23%
Fleet	28.9	27.3	(1.6)	-6%
Utility Operations	24.4	17.4	(7.0)	-40%
TO	122.3	105.4	(16.9)	-16%
MKT	3.8	2.5	(1.3)	-53%
ENG	3.6	1.4	(2.3)	-165%
Other	26.0	32.7	6.7	21%
Topside	(85.1)	-	85.1	
	\$ 1,972.2	\$ 2,240.3	\$ 268.1	
Freeport	-	(0.1)	(0.1)	100%

CERTIFICATE OF SERVICE

I certify that on May 8, 2024, this document was filed with the Public Utility Commission of Texas in Docket No. 56211, and a true and correct copy of it was served by electronic mail on all parties of record in this proceeding in accordance with the Second Order Suspending Rules issued in Project No. 50664.



The following files are not convertible:

OPUC-RFI03-09 Attachment 1.xlsx

OPUC-RFI03-10 Attachment 1.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.