

1 **Q. PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE DELIVERY**
2 **SYSTEM CHARGES IN THE SECONDARY LESS THAN OR EQUAL TO**
3 **10 kVA RATE SCHEDULE.**

4 A. CenterPoint Houston is proposing to update the delivery system charges in this rate
5 schedule to reflect the revenue requirement by function as described in the
6 Proposed CCOSS.

7 **Q. PLEASE DESCRIBE THE SECONDARY GREATER THAN 10 kVA**
8 **SERVICE RATE SCHEDULE.**

9 A. This rate schedule is available to retail customers requesting delivery service for
10 non-residential purposes with demands greater than 10 kVA and to retail customers
11 requesting temporary service. The rate schedule sets forth the Monthly Rate
12 (composed of the Customer Charge, the Metering Charge, and the Distribution
13 System Charge and Transmission System Charge), the service riders that may apply
14 to the rate schedule, the method for determining the customer's billing demand, and
15 the Company's general terms of service under this rate schedule.

16 **Q. PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE DELIVERY**
17 **SYSTEM CHARGES IN THE SECONDARY GREATER THAN 10 kVA**
18 **RATE SCHEDULE.**

19 A. As with the previous rate schedules, each delivery system charge has been updated
20 to reflect the revenue requirement by function as determined from the Proposed
21 CCOSS.

22 **Q. PLEASE DESCRIBE THE PRIMARY SERVICE RATE SCHEDULE.**

23 A. This rate schedule is available to retail customers requesting delivery service for

1 non-residential purposes at primary distribution voltage levels of between 12 and
 2 60kV. The rate schedule sets forth the Monthly Rate (composed of the Customer
 3 Charge, the Metering Charge, the Distribution System Charge and Transmission
 4 System Charge), the service riders that may apply to the rate schedule, the method
 5 for determining the customer's billing demand, and the Company's general terms
 6 of service under this rate schedule.

7 **Q. PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE DELIVERY**
 8 **SYSTEM CHARGES IN THE PRIMARY SERVICE RATE SCHEDULE.**

9 A. CenterPoint Houston is proposing to update the delivery system charges in this rate
 10 schedule to reflect the revenue requirement by function as determined by the
 11 Proposed CCOSS.

12 **Q. PLEASE DESCRIBE THE TRANSMISSION SERVICE RATE SCHEDULE.**

13 A. This rate schedule is available to retail customers requesting delivery service for
 14 non-residential purposes at transmission voltage levels (greater than 60kV). The
 15 rate schedule sets forth the Monthly Rate (composed of the Customer Charge, the
 16 Metering Charge, the Distribution System Charge and Transmission System
 17 Charge), the service riders that may apply to the rate schedule, the method for
 18 determining the customer's billing demand, and the Company's general terms of
 19 service under this rate schedule.

20 **Q. PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE**
 21 **TRANSMISSION SERVICE RATE SCHEDULE.**

22 A. CenterPoint Houston is proposing to update the delivery system charges in this rate
 23 schedule to reflect the revenue requirement by function as determined in the

1 Proposed CCOSS. Additionally, the Company is proposing to add language to the
 2 Transmission Service Rate Schedule to include a Load Study Charge for customers
 3 requesting delivery service under this Rate Schedule for a new or added load of 10
 4 MW or more.

5 **Q. WHY IS CENTERPOINT HOUSTON IMPLEMENTING A CHARGE FOR**
 6 **LOAD STUDIES OVER 10MW?**

7 A. CenterPoint Energy saw a large increase in load customer requests in 2023. In
 8 addition, the sizes of many of the load customer requests were at unprecedented
 9 sizes which increases the study complexity greatly as transmission upgrades are
 10 much more likely. CenterPoint Energy already charges a fee for generator
 11 interconnection studies which require similar studies be performed. CenterPoint
 12 Houston has proposed the Load Study Charge to ensure all customers requesting
 13 studies are treated equally, regardless of whether they are wholesale customers like
 14 generators or retail customers. The charge for load customer studies will also aid in
 15 our effort to weed out customers requesting a Load Study that do not have serious
 16 plans to start their project.

17 **Q. WHAT WILL CENTERPOINT HOUSTON CHARGE CUSTOMERS FOR**
 18 **A LOAD STUDY?**

19 A. CenterPoint Houston charges a \$50,000 baseline fee to conduct a load study. If
 20 CenterPoint Houston and/or ERCOT require a stability analysis, an additional
 21 \$50,000 fee applies.

22 **Q. HOW WAS THE \$50,000 MINIMUM CHARGE DETERMINED?**

23 A. The Company used the flat fee already charged for generator full interconnection

1 study ("FIS") of \$100,000. The FIS consists of four component studies: a steady-
2 state study, short circuit study, a stability study, and a facility study. The stability
3 study, which is not typically required for load studies, takes about as much time to
4 complete as the other three FIS components combined. Consequently, CenterPoint
5 has proposed to set the Load Study fee at \$50,000 unless a stability study is
6 required, in which case the Company would charge the customer an additional
7 \$50,000.

8 **Q. WILL THE LOAD STUDY CHARGE BE REFUNDABLE?**

9 A. No. The Company does not intend to refund the fee for customers who ultimately
10 build or decide not to build their facilities.

11 **Q. PLEASE DESCRIBE THE STREET LIGHTING SERVICE ("SLS")**
12 **WITHIN THE LIGHTING SERVICES RATE SCHEDULE.**

13 A. SLS is available to cities, governmental agencies, real estate developers, and other
14 groups requesting the installation of street lighting. SLS provides for the
15 installation, ownership, and maintenance of street light systems and fixtures, which
16 may be affixed to existing distribution poles, if available, or to ornamental poles
17 specifically installed by the Company for the street light fixtures (referred to as
18 "ornamental standards" in the SLS rate schedule), and the delivery of electric power
19 and energy to such fixtures on an unmetered basis. The majority of the cost for
20 providing this service are CenterPoint Houston's installation costs of the systems,
21 i.e., capital investment, and maintenance expenses associated with the specific
22 lighting fixture. This rate schedule contains provisions governing the terms of
23 service and the type of street lighting systems available, the Monthly Rate

1 consisting of a Transmission and Distribution Charge per lamp type, and references
2 to applicable service riders.

3 **Q. PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE DELIVERY**
4 **SYSTEM CHARGES IN THE SLS SECTION OF THE LIGHTING**
5 **SERVICES RATE SCHEDULE.**

6 A. The Company is updating the Transmission and Distribution Charges applicable to
7 each lamp type to reflect the revenue requirement by function as determined in the
8 Proposed CCOSS. The Company is making LED luminaires the new street light
9 standard “lamp type” for SLS. Company witness Randy Pryor’s testimony further
10 discusses the reasoning for this proposed change to lighting service standards.
11 CenterPoint Houston is also adding a wattage range for LED lights to the SLS tariff
12 to address the ever-increasing efficiency of LED luminaires. This is discussed
13 further in Randy Pryor’s testimony.

14 **Q. PLEASE DESCRIBE THE MISCELLANEOUS LIGHTING SERVICE**
15 **(“MLS”) SECTION WITHIN THE LIGHTING SERVICES RATE**
16 **SCHEDULE.**

17 A. The MLS section of the Lighting Services rate schedule provides for the
18 installation, removal, operation, and maintenance of flood lights, guard lights,
19 security lights and other non-street light fixtures, and the delivery of electric power
20 and energy to such fixtures on an unmetered basis. Customers requesting lighting
21 service under the MLS section of this rate schedule must supply the light for the
22 Company to install. Only approved lights are accepted for installation. This section
23 of the rate schedule sets forth the Monthly Rate (consisting of a Fixture Charge, if

1 applicable, and Transmission and Distribution Charges), the service riders that may
 2 apply to the rate schedule, and the Company's general terms of service under this
 3 section of the rate schedule.

4 **Q. PLEASE DESCRIBE ANY CHANGES TO THE DELIVERY SYSTEM**
 5 **CHARGES FOR MLS.**

6 A. MLS charges have been updated to reflect the revenue requirement by function as
 7 filed in the Proposed CCOSS.

8 **C. Riders**

9 **Q. WILL YOU BRIEFLY EXPLAIN THE TAX RIDER CENTERPOINT**
 10 **HOUSTON IS PROPOSING?**

11 A. Yes. The Company is proposing a rider as a result of the Inflation Reduction Act
 12 of 2022 ("IRA") to recover or refund changes in the Company's tax obligation
 13 ("Rider IRA") as discussed by Company witness Mrs. Story. Company witness
 14 Kristie Colvin directly addresses the proposed costs for recovery through the Rider
 15 IRA. The proposed Rider IRA can be found in Exhibit JRD – 9.

16 **1. Rider IRA**

17 **Q. WHAT ALLOCATION METHOD DID YOU APPLY TO THE COSTS IN**
 18 **THE PROPOSED RIDER IRA?**

19 A. I allocated costs using the Taxable Income Allocators excluding transmission in the
 20 II-I-2 Class Ratios schedule. The Distribution, Customer and Meter functions were
 21 used to determine the allocation for the retail Rider IRA. The revenue requirement
 22 for the Transmission function will be allocated using 4CP, from the Wholesale
 23 Tariff, through the TCRF. A schedule has been provided in Schedule IV-J-7 Rider

1 IRA.

2 **Q. WHAT IS THE PROPOSED REVENUE REQUIREMENT OF THE NEW**
3 **TAX RIDER?**

4 A. The proposed revenue requirement in this proceeding is zero. The Company intends
5 to file to update the Rider IRA revenue requirement annually.

6 **2. Rider NDC – Nuclear Decommissioning Charges**

7 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO RIDER NDC –**
8 **NUCLEAR DECOMMISSIONING CHARGES?**

9 A. Yes. Rider NDC – Nuclear Decommissioning Charges was approved by the
10 Commission for CenterPoint Houston in Docket No. 49082,⁵ consistent with
11 16 TAC § 25.303(g)(1). Rider NDC charges were calculated to collect from each
12 rate class the correct amount of nuclear decommissioning costs allocated to each
13 class. Section 25.303(g)(4) requires CenterPoint Houston to give at least 90 days'
14 notice to NRG Texas LLC ("NRG") of an anticipated application for a general rate
15 case so that NRG can elect to request a change in the decommissioning funding
16 level during the rate case. On November 1, 2023 NRG completed the sale of NRG
17 South Texas LP to Constellation Energy Generation, LLC. CenterPoint Houston
18 provided the required notice on December 1, 2023, see Exhibit JRD 11. On July
19 31, 2023, prior to the change in ownership, NRG filed to update their NDC and a
20 pending final order in Docket No. 55303⁶ is expected to be approved during this

⁵ Application of CenterPoint Energy Houston Electric, LLC For Approval of Revisions To Rider NDC Pursuant To 16 Texas Administrative Code Sections 22.33 and 25.303(g)(3), Docket No. 49082, Notice of Approval (Mar. 7, 2019).

⁶ Application of Constellation South Texas LLC for Review of the Cost of Decommissioning Units

1 proceeding. CenterPoint Houston will file an update to the current NDC rider using
2 allocations established in Docket No. 49421 with the amount approved in Docket
3 No. 55303. CenterPoint Houston is also including an updated NDC Rider in this
4 proceeding to update the rates again due to changes in billing determinants and
5 allocations established in this case.

6 **Q. WHAT ALLOCATION METHODOLOGY DOES CENTERPOINT**
7 **HOUSTON PROPOSE TO USE FOR THE NDC RIDER?**

8 A. The Company proposes to use the A&E-4CP methodology approved to allocate
9 nuclear decommissioning expense in CEHE's Unbundling Cost of Service case,
10 Docket No. 22355, *Application Of Reliant Energy HL&P for Approval of*
11 *Unbundled Cost Of Service Rate Pursuant To PURA §39.201 and Public Utility*
12 *Commission Substantive Rule §25.344*, and also in its last rate case as an integrated
13 utility, Docket No. 12065, *Complaint Of Kenneth D. Williams Against Houston*
14 *Lighting & Power Company*. The A&E-4CP methodology was again approved in
15 CEHE's latest update to the nuclear decommissioning expense in Docket No.
16 49082, *Application of CenterPoint Energy Houston Electric, LLC To Revise Rider*
17 *NDC*.

18 **Q. WHAT ARE THE A&E-4CP ALLOCATORS BY RATE CLASS?**

19 A. Please see Schedule II-I-2 Class Ratios and WP - A&E_4CP demonstrates the
20 calculation.

1 and 2 of the South Texas Project, Docket No. 55303 (pending).

1 **Q. WHAT ANNUAL NUCLEAR DECOMMISSION EXPENSE AMOUNT**
2 **WAS ALLOCATED TO THE CLASSES?**

3 A. The annual funding amount of \$773,292 determined in Docket No. 55303 was used
4 to determine the charges for Rider NDC. Docket No. 55303 has not been approved
5 by the Commission at the time of filing this rate case. If the Commission changes
6 the amount, CenterPoint Houston will update the Rider NDC to reflect the updated
7 amount.

8 **3. Rider TCRF – Transmission Cost Recovery Factor**

9 **Q. WHAT IS THE PURPOSE OF THE TCRF?**

10 A. The costs associated with the ERCOT system-wide transmission access fee paid by
11 all Distribution Service Providers are currently recovered through the TCRF. As
12 specified in 16 TAC § 25.193, the TCRF permits the Company to recover the cost
13 of ERCOT system-wide transmission access fees network transmission rates
14 approved or allowed by the Commission. As discussed earlier in my testimony, the
15 Company moved its retail transmission costs to the TCRF in the prior rate case.

16 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE CHARGES TO**
17 **RIDER TCRF - TRANSMISSION COST RECOVERY FACTOR?**

18 A. Yes. Consistent with the TCRF rule and Rider TCRF – Transmission Cost
19 Recovery Factor at the conclusion of this case, the Company will be required to
20 update the TCRF to reflect any changes in wholesale transmission rates that are not
21 reflected in the Company's base rates for Transmission Service. Also, CenterPoint
22 Houston will update the Rider TCRF allocation factors to reflect the December 31,
23 2023 Test Year unadjusted 4CP class allocation factors used for the allocation of

1 transmission cost in the Proposed CCOSS.

2 **4. Rider EECRF – Energy Efficiency Cost Recovery Factor**

3 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE CHARGES**
4 **FOR RIDER EECRF – ENERGY EFFICIENCY COST RECOVERY**
5 **FACTOR?**

6 A. No. The Company is not proposing any changes to this rate schedule.

7 **5. Schedule SRC – System Restoration Charges**

8 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO SCHEDULE SRC –**
9 **SYSTEM RESTORATION CHARGES?**

10 A. Yes. Schedule SRC – System Restoration Charges was applicable to retail
11 customers as outlined on Schedule SRC. The Financing Order for Rider SRC
12 approved by the Commission in Docket No. 37200⁷ and last updated in Docket No.
13 53598⁸. Rider SRC was retired, and the rates were set to zero per Docket No.
14 53598. The Financing Order for Rider SRC approved by the Commission in Docket
15 No. 37200 and last updated in Docket No. 53598. The Company is proposing to
16 remove the retired Rider SRC from its Retail Tariff.

17 **6. Rate ESS – Electric Service Switchovers**

18 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO RATE ESS –**
19 **ELECTRIC SERVICE SWITCHOVERS?**

20 A. No. Rate ESS – Retail Electric Service Switchovers is applicable to customers that

⁷ Application of CenterPoint Energy Houston Electric, LLC for a Financing Order, Docket No. 37200, Financing Order (Aug. 27, 2009).

⁸ Compliance Filing of CenterPoint Energy Houston Electric, LLC to Temporarily Cease Billing System Restoration Charges under Schedule SRC, Tariff Control No. 53598, Notice of Approval (June 14, 2022).

1 meet the provisions of the rate and choose to switch to another utility for their
2 provision of electric delivery service. CenterPoint Houston proposes updating the
3 charges to reflect the current cost of providing this service but proposes no other
4 changes.

5 **7. Rate CMC – Competitive Metering Credit**

6 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO RIDER CMC –**
7 **COMPETITIVE METERING CREDIT?**

8 A. No. Rider CMC – Competitive Metering Credit is applicable to customers that
9 qualify and choose to have a competitive meter. Rider CMC provides a credit to
10 the billing for the customer to recognize that the meter is not owned or provided by
11 CenterPoint Houston.

12 **8. Rate RCE – Rate Case Expenses Surcharge**

13 **Q. IS CENTERPOINT HOUSTON PROPOSING ANY CHANGES TO RIDER**
14 **RCE - RATE CASE EXPENSES SURCHARGE?**

15 A. Yes. The Company has recovered all approved rate case expenses from previous
16 dockets that were being recovered under this rider. However, the Company has
17 deferred rate case expenses from previous rate filings and will incur new rate case
18 expenses in this proceeding that will be recovered through Rider RCE. The
19 Company proposes to change this rider to recover the level of rate case expenses
20 that are determined to be reasonable by the Commission as a result of this
21 proceeding. CenterPoint Houston proposes a three-year recovery period for
22 Rider RCE. Rider RCE charges are applicable to each of the six rate classes. The
23 proposed changes to Rider RCE are shown in Exhibit JRD-9.

1 **9. RIDER ADFITC – Accumulated Deferred Federal Income Tax Credit**

2 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO RIDER ADFITC –**
3 **ACCUMULATED DEFERRED FEDERAL INCOME TAX CREDIT?**

4 A. Yes. Rider ADFITC – Accumulated Deferred Federal Income Tax Credit was
5 implemented pursuant to a settlement agreement in Docket No. 37200⁹ to provide
6 customers with the accumulated deferred federal income tax benefits associated
7 with Hurricane Ike restoration costs. Rates for Rider ADFITC were set to zero in
8 Docket No. 53597¹⁰. CenterPoint Houston is proposing to remove Rider ADFITC
9 from its Retail Tariff in this proceeding. The outstanding refund for SRC and
10 ADFITC will be refunded through the existing TC Refund rider in the Company's
11 Retail Tariff.

12 **10. RIDER DCRF – Distribution Cost Recovery Factor**

13 **Q. IS THE COMPANY PROPOSING ANY CHANGES TO RIDER DCRF –**
14 **DISTRIBUTION COST RECOVERY FACTOR?**

15 A. Yes. The provisions of Rider DCRF were established in Project No. 39465. While
16 the Company is proposing no changes to the rider itself, the rates charged through
17 the DCRF rider will change to reflect the results of this rate case. To ensure that the
18 Company does not recover costs through both the DCRF and base rates
19 concurrently, the DCRF-related assets that are in the 2023 test year and recovered
20 through the DCRF rider will be moved to base rates per 16 TAC § 25.243. At the

⁹ Docket No. 37200, Financing Order (Aug. 27, 2009).

¹⁰ COMPLIANCE FILING OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC TO TEMPORARILY CEASE BILLING ADFIT CREDIT CHARGES UNDER SCHEDULE ADFITC, Tariff Control No. 43597, Notice of Approval (June 3, 2022).

1 conclusion of this case, the DCRF rider will be updated to reflect the costs
2 recovered through the DCRF that were not included in the test year and updated to
3 include changes in the DCRF baseline established in this case.

4 **Q. IS THE COMPANY CURRENTLY RECOVERING COSTS IN ITS DCRF**
5 **RIDER?**

6 A. Yes. The Company is recovering costs approved in its most recent DCRF
7 application, Docket No. 54825 and has a pending application, Docket No. 55993.

8 **Q. DOES THE COMPANY INTEND TO RESET THE DCRF RATE TO ZERO**
9 **WHEN RATES IN THE PROCEEDING ARE APPROVED?**

10 A. No. CenterPoint Houston is proposing to update the DCRF in effect at the time of
11 the Commission's final order in this case.

12 **Q. HOW DOES THE COMPANY PROPOSE IT WILL ADJUST ITS DCRF**
13 **RIDER TO CONFORM WITH THE FINDINGS IN THIS PROCEEDING?**

14 A. The Company will file an updated DCRF that 1. Removes items approved for
15 recovery through base rates. 2. Updates the DCRF to reflect the DCRF baseline
16 resulting from this base rate case. 3. Updates the allocations and growth adjustment
17 resulting from this proceeding.

18 **Q. ARE COSTS IN THIS DOCKET CURRENTLY BEING RECOVERED IN**
19 **THE COMPANY'S MOST RECENT DCRF?**

20 A. Yes. The DCRF in effect includes cost reflected in the Test Year. Per Public Utility
21 Regulatory Act (PURA) §36.210 the Company may file a DCRF 186 days after
22 filing this application. A DCRF filed during this base rate case could include capital
23 not included in the Test Year.

1 **Q. HAVE YOU PRESENTED AN UPDATED DCRF BASELINE AS PART OF**
2 **YOUR WORKPAPERS?**

3 A. Yes. Please see Schedule IV-J-7 DCRF.

4 **Q. WHEN WILL THE PROPOSED BASELINE BECOME EFFECTIVE?**

5 A. The new baseline would be effective at the conclusion of this proceeding or when
6 a Commission order on the baseline is approved.

7 **11. Rider TEEEF – TEMPORARY EMERGENCY ELECTRIC**
8 **ENERGY FACILITIES**

9 **Q. DOES CENTERPOINT HOUSTON PROPOSE ANY CHANGES TO ITS**
10 **TEEEF RIDER?**

11 A. Yes. The current Rider TEEEF charges interim rates because of a settlement in
12 Docket 54830¹¹ . The Company will update Rider TEEEF pursuant to the Final
13 Order in that proceeding, and possible future Commission approved Rider TEEEF
14 adjustments. I discuss temporary emergency electric energy facilities (TEEEFs) in
15 more detail later in my testimony.

16 **12. Expired Riders**

17 **Q. IS CENTERPOINT HOUSTON PROPOSING TO REMOVE ANY OTHER**
18 **EXPIRED RATE SCHEDULES FROM ITS TARIFF?**

19 A. Yes. CenterPoint Houston is proposing to remove both the RIDER REMAND –
20 REMAND OF EECRF SURCHARGE and the RIDER (CERP) – COVID-19
21 Electricity Relief Program from its tariff book. The rates in these riders were set to

11

1 zero in Docket No. 42359¹² on 10/15/2015 and Docket No. 50713¹³ on 3/30/2021,
2 respectively.

3 **D. Transition Charges**

4 **Q. PLEASE SUMMARIZE THE COMPANY'S PROPOSED CHANGES TO**
5 **THE TRANSITION CHARGES IN ITS EXISTING TARIFF.**

6 A. The Company is proposing to remove two retired Transition Charge tariffs that are
7 in its Retail Tariff and remove Rider TC5 from the final version of the Retail Tariff
8 at the conclusion of this proceeding.

9 **Q. IS CENTERPOINT HOUSTON PROPOSING ANY CHANGES TO THE**
10 **TRANSITION CHARGES RATE SCHEDULES?**

11 A. Yes. The Company currently has three transition charge schedules in its Retail
12 Tariff: Schedules TC2, TC3, and TC5. Riders TC2 and TC3 have a rate set to zero
13 for all rate classes. The Company is proposing to remove Schedules TC2 & TC3
14 from the Retail Tariff pursuant to the final orders issued in Docket No. 49676¹⁴ and
15 Docket No. 50123⁶. In Docket No. 51567, the Commission approved the amount
16 to be refunded to retail electric providers in the CenterPoint Houston territory, and
17 the refund for TC2 and TC3 was issued. The Company has no other obligations

¹² REMAND OF DOCKET NO. 36952 (APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC TO DEFER ENERGY EFFICIENCY COST RECOVERY AND FOR APPROVAL OF AN ENERGY EFFICIENCY COST RECOVERY FACTOR) CONSOLIDATED

¹³ TARIFF FILING OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC IN COMPLIANCE WITH PROJECT NO. 50664

¹⁴ Compliance Filing of CenterPoint Energy Houston Electric, LLC to Temporarily Cease Billing Transmission Charges Under Schedule TC2, Docket No. 49676, Notice of Approval (July 25, 2019).

⁶ Compliance Filing of CenterPoint Energy Houston Electric, LLC to Temporarily Cease Billing Transmission Charges Under Schedule TC3, Docket No. 50123, Notice of Approval (November 19, 2019)

1 under these schedules.

2 Schedule TC5 was approved in Docket No. 39809¹⁵ and last updated in
 3 Docket No. 55839¹⁶ with an effective date of December 15, 2023. These schedules
 4 have procedures for updates that are defined in the respective financing orders and
 5 are not subject to changes in this proceeding.

6 The Company anticipates Rider TC5 will be retired during this proceeding
 7 and request that if the bond is retired before the clean copy off the Retail Tariff is
 8 filed for review in this proceeding that the Company be allowed to remove Rider
 9 TC5 from its Retail Tariff. The Company plans to issue the refund, if any, through
 10 the existing TC Refund Rider in the Retail Tariff in a future proceeding.

11 **E. Discretionary Charges**

12 **Q. ARE ANY CHANGES PROPOSED TO THE DESCRIPTIONS IN THE**
 13 **DISCRETIONARY CHARGES SECTIONS OF CHAPTER SIX OF THE**
 14 **TARIFF RELATING TO UNIFORM DISCRETIONARY CHARGES?**

15 A. No. In Project No. 41121,¹⁷ the Commission adopted comprehensive modifications
 16 to its pro forma retail tariff, including changes related to Discretionary Services and
 17 the timeliness with performing them. Pursuant to the Commission's order in that
 18 proceeding, CenterPoint Houston filed a compliance tariff in Tariff Control

¹⁵Application of CenterPoint Energy Houston Electric, LLC for a Financing Order, Docket No. 39809, Final Order (Oct. 27, 2011).

¹⁶Compliance Filing of CenterPoint Energy Houston Electric, LLC for a Standard True-Up of Transition Charges Under Schedule TC5, Tariff Control No. 55839, Notice of Approval (Dec. 12, 2023).

¹⁷ *Rulemaking Proceeding to Amend TAC Section 25.214 and Pro-Forma Retail Delivery Tariff*, Project No. 41121, (Jun. 20, 2014).

1 No. 42732¹⁸ with revisions to the Retail Tariff to comply with the changes to
2 16 TAC § 25.214. A summary of all discretionary charges is provided in my
3 Exhibit JRD-6.

4 **Q. IS CENTERPOINT HOUSTON PROPOSING TO UPDATE ITS**
5 **DISCRETIONARY CHARGES IN THE RETAIL TARIFF?**

6 A. Yes. The Company proposes to update the charges for certain Discretionary
7 Services to reflect the current cost of providing that service.

8 **Q. PLEASE DESCRIBE THE METHODOLOGY USED BY CENTERPOINT**
9 **HOUSTON TO DETERMINE THE PROPOSED CHARGES FOR**
10 **DISCRETIONARY SERVICES.**

11 A. For each discretionary service, the Company analyzed the various tasks associated
12 with providing that service, such as specific labor skills, material needed, and time
13 to perform the service. The specific type of labor assigned to each task was based
14 on the required skills to perform each activity. The type of labor assigned to each
15 task depended on whether the task called for craft labor or non-craft labor, or if the
16 Company normally uses contract labor.¹⁹ Where craft labor was required to
17 perform a task, the straight time hourly labor rate for Transmission & Distribution
18 craft service personnel was assigned. For more basic tasks requiring non-craft
19 skills, the straight time hourly rate for a Field Service Representative (“FSR”) was

¹⁸ CenterPoint Energy Houston Electric, LLC Compliance Tariff Filing Pursuant to Project No. 41121, Tariff Control No. 42732, Notice of Approval (Nov. 14, 2014).

¹⁹ Craft labor is labor that requires specialized Transmission or Distribution skill. Non-craft labor is labor that requires basic skills, i.e., can be accomplished by field service representative rather than a lineman or electrician. Contract labor in this section only refers to labor skills limited to discretionary lighting service repairs.

1 assigned. The hourly rates for both of these labor categories include the cost
2 associated with employee benefits, which is approximately 32.419% of the labor
3 rate. The hourly labor rates were based on each specific type of labor's hourly rate
4 for 2018. For tasks that required the service to be performed either on a priority
5 basis, weekend, or holiday, the associated time-and-a-half or holiday rate was used.
6 The labor costs associated with central dispatching was also included at \$0.92 per
7 order.

8 Each cost category was stated on an hourly basis or a per-order basis (as
9 appropriate) for consistency and ease of calculation. To calculate transportation
10 costs on an hourly basis, the annual cost associated with the type of truck used by
11 the service crew was divided by the annual service hours of 2,080. If any material
12 or supplies are required for the service, the associated material cost including
13 materials management and warehousing was included. For each service, the time
14 to perform the service was developed based on actual service times presently being
15 experienced in the field or adjusted for constrained time limits required by market
16 rules. Finally, the hourly labor and transportation costs were multiplied by the
17 number of hours it takes to perform each task. All costs were totaled to develop
18 the proposed charge. The details and assumptions used to develop each service
19 charge are provided in the IV-J-2 Schedules.

20 **Q. IS THIS METHODOLOGY CONSISTENT WITH THE METHODOLOGY**
21 **APPROVED IN DOCKET NO. 49421?**

22 **A.** Yes. The methodology is consistent with the methodology approved in Docket No.

1 49421.²⁰

2 **Q. IS CENTERPOINT HOUSTON PROPOSING TO ADD ANY NEW**
3 **DISCRETIONARY CHARGES IN THE RETAIL TARIFF?**

4 A. No

5 **Q. WHAT IS THE NON-STANDARD METERING SERVICE RECURRING**
6 **FEE?**

7 A. The Non-Standard Metering Service Recurring Fee is a recurring monthly fee
8 applicable to a customer who elected to receive electric service through a non-
9 standard meter, as provided for under 16 TAC § 25.133.

10 **Q. IS THE COMPANY UPDATING ITS NON-STANDARD METERING**
11 **SERVICE RECURRING FEE?**

12 A. Yes. The Company is proposing to update the monthly Non-Standard Metering
13 Service Recurring Fee to \$51 fee to reflect the current ongoing costs to provide this
14 service. The Company is also proposing to update its one-time fees for customers
15 taking this service.

16 **Q. IS THE COMPANY PROPOSING TO INCREASE THE COST OF A NEW**
17 **STANDARD METER IN THE UNIFORM DISCRETIONARY CHARGES?**

18 A. Yes, the Company proposes to increase the charge from \$0 to \$213. The way the
19 tariff is currently structured has caused customer and Competitive Retailer
20 confusion, and this change is to more directly represent the service customers are
21 selecting from the tariff. Customers will still pay for the same service as they do

²⁰ Docket No. 38339, Order on Rehearing (Jun. 23, 2011).

today. Currently, every meter begins its service life as an AMS-M meter and customers are charged the AMS-M move-in charge. For a new installation, a “new standard meter” is not installed, because a new meter must be setup by a field technician. Only after the meter is provisioned, the service load is 200 amps or less and the customer chooses to have a standard meter is the meter attribute changed to AMSR (a standard meter). If a “New Standard Meter” were installed, the cost would be the same as the AMS-M move-in charge due to the provisioning required to establish the new meter as a Standard Meter.

VI. NON-RATE TARIFF CHANGES

Q. PLEASE SUMMARIZE THE PROPOSED NON-RATE TARIFF CHANGES.

A. The Company is proposing to revise the Retail Tariff to incorporate the applicable terms of service in the specific rate schedules to which those terms of service apply and to move certain provisions to different sections of the Retail Tariff where those provisions were more logically addressed. The Company also incorporated certain forms of agreement that are often used by the Company in common transactions between the Company and its customers. Finally, the Company has updated its Construction Services policies and charges. These changes are summarized in Exhibit JRD-7.

Q. WHY IS THE COMPANY MAKING THESE NON-RATE TARIFF CHANGES AT THIS TIME?

A. The non-rate tariff changes are necessary for two reasons. First, the Company has added and revised language in the Retail Tariff many times throughout the years.

1 some of which may be confusing or redundant or are no longer applicable, and this
2 proceeding offers an opportunity to harmonize those revisions throughout the Retail
3 Tariff for clarity and consistency. Also, some of the changes reflect the Company's
4 experience in operating under these provisions over time and its understanding of
5 how the provisions can be better worded so that they are easier for customers to
6 understand and easier for the Company to apply.

7 **Q. PLEASE EXPLAIN THE CHANGE TO THE TARIFF LANGUAGE**
8 **REGARDING THE CABLE BY-PASS CHARGE.**

9 A. The Company is updating its tariff to align with the by-pass agreement that is used
10 for temporarily serving a customer. The by-pass agreement has language that limits
11 the use of non-standard facilities for 30 days, whereas the tariff currently relies on
12 the agreement to set the time limit. The Company proposes to update the tariff to
13 limit the cable by-pass agreement to 30 days, which is the existing limit in the
14 by-pass agreement available to customers.

15 **Q. WHAT ARE TEMPORARY EMERGENCY ELECTRIC ENERGY**
16 **FACILITIES?**

17 A. In 2021, the 87th Texas Legislature passed, and the Governor signed into law H.B.
18 2483, which created PURA § 39.918. PURA § 39.918 permits transmission and
19 distribution utilities in ERCOT to "lease and operate facilities that provide
20 temporary emergency electric energy to aid in restoring power to the utility's
21 distribution customers during a widespread power outage" Temporary
22 emergency electric energy facilities (TEEEF) is the term used by the Company to
23 describe the modular and portable turbine generator units that the Company

1 currently has under lease and that the Company uses to aid in restoration when
2 permitted under the power outage use cases listed in PURA § 39.918.

3 **Q. HAS THE COMPANY PREVIOUSLY OPERATED TEMPORARY**
4 **EMERGENCY ELECTRIC ENERGY FACILITIES TO AID IN THE**
5 **RESTORATION DURING A POWER OUTAGE?**

6 A. Yes. In September 2021, in response to Hurricane Nicholas, the Company deployed
7 TEEEF to the Lake Jackson Civic Center, which was used by Brazoria County
8 officials as a staging and cooling center for relief efforts. In January 2023, in
9 response to a tornado in Pasadena, Texas, the Company deployed TEEEF to Turner
10 Elementary School and Bondy Intermediate School.

11 **Q. HAS THE COMMISSION PREVIOUSLY REVIEWED AND APPROVED**
12 **THE COMPANY'S LEASE AND ASSOCIATED COSTS OF THE**
13 **COMPANY'S TEMPORARY EMERGENCY ELECTRIC ENERGY**
14 **FACILITIES.**

15 A. Yes. In Docket No. 53442, the Commission reviewed and approved the Company's
16 leases of TEEEF and the associated costs incurred through December 31, 2021 that
17 the Company sought to recover. In approving the Company's leases of TEEEF and
18 associated costs, the Commission ruled that the Company complied with PURA §
19 39.918. Additionally, in Docket No. 54830, the Commission reviewed and
20 approved a settlement that would allow for the recovery of certain TEEEF costs
21 recorded through December 31, 2022.

22 **Q. HOW ARE TEEEF COSTS RECOVERED BY THE COMPANY?**

23 A. The Company recovers TEEEF costs through Rider TEEEF, which is currently

Section 6.1.1.6.14 of the Company's Retail Tariff. The Commission approved Rider TEEEF, and the corresponding rates and terms and conditions, in Docket Nos. 53442 and 54830.

Q. AS PART OF APPROVING RIDER TEEEF, DID THE COMMISSION ALSO APPROVE CERTAIN NON-RATE PROVISIONS RELATED TO THE OPERATION OF TEEEF?

A. Yes. As part of its initial TEEEF application in Docket No. 53442, the Company requested and the Commission approved, tariff provisions in the Company's Retail Tariff that address the Company's operation of TEEEF. Specifically, the Commission approved Section 6.2.3(5) of the Company's Retail Tariff, which states:

5. Company may, in its sole judgment, lease and operate facilities that provide temporary emergency electric energy in accordance with Applicable Legal Authorities. Company's choice to operate and Company's operation of facilities that provide temporary emergency electric energy during a widespread power outage are not a guarantee of steady and continuous Delivery Service and are not a guarantee against fluctuations, irregularities, or interruptions in Delivery Service. All Competitive Retailers and Retail Customers that receive Delivery Service from Company receive Delivery Service under the rates, terms, and conditions outlined in this Tariff, including, but not limited

1 to, Section 3.11, GOVERNING LAWS AND
2 REGULATIONS, Section 3.13, QUALITY OF DELIVERY
3 SERVICE, Section 4.2.5, EMERGENCIES AND
4 NECESSARY INTERRUPTIONS, Section 4.2.6,
5 LIMITATION OF WARRANTIES BY COMPANY,
6 Section 5.2.5, EMERGENCIES AND NECESSARY
7 INTERRUPTIONS, and Section 5.2.6, LIMITATION OF
8 WARRANTIES BY COMPANY. Company's operation of
9 facilities that provide temporary emergency electric energy
10 during a widespread power outage shall not abridge, enlarge,
11 or modify the limits on liability outlined in Section 4.2,
12 LIMITS ON LIABILITY, and SECTION 5.2, LIMITS ON
13 LIABILITY. *Company will not be liable for any damages,*
14 *whether direct or consequential, including, without*
15 *limitation, loss of profits, loss of revenue, or loss of*
16 *production capacity, occasioned by Company's use of*
17 *facilities that provide temporary emergency electric energy*
18 *during a widespread power outage. including, without*
19 *limitation, the deployment (or lack of deployment),*
20 *location, capacity, duration, or operation of such facilities,*
21 *or any fluctuations, irregularities, or interruptions in*
22 *Delivery Service from such facilities.* However, if damages
23 are caused by Company's gross negligence or intentional

1 misconduct, this provision shall not preclude recovery of
 2 appropriate damages when legally due. This tariff provision
 3 6.2.3 expires on the effective date of revisions to Company's
 4 pro forma tariff related to facilities that provide temporary
 5 emergency electric energy.

6 **Q. SUBSEQUENT TO THE PASSAGE OF H.B. 2483 IN 2021 AND THE**
 7 **COMMISSION'S REVIEW AND APPROVAL OF TEEEF IN DOCKET NO.**
 8 **53442, HAS PURA § 39.918 BEEN AMENDED?**

9 A. Yes. In 2023, the 88th Texas Legislature passed and the Governor signed into law
 10 H.B. 1500, which, among other things, revised the use cases in PURA § 39.918.
 11 Previously, TEEEF was permitted to be operated to aid in restoration in response
 12 to a "widespread power outage." Now, after the effective date of H.B. 1500,
 13 TEEEF is permitted to be operated to aid in restoration in response to a "significant
 14 power outage." Under PURA § 39.918(a)-(a-1), a "significant power outage" is
 15 defined as an event that:

- 16 (1) results in a loss of electric power that affects a significant number of
 17 distribution customers of a transmission and distribution utility and has
 18 lasted or is expected to last for at least six hours;
- 19 (2) results in a loss of electric power that affects distribution customers of a
 20 transmission and distribution utility in an area for which the Governor has
 21 issued a disaster or emergency declaration;
- 22 (3) results in a loss of electric power that affects distribution customers served
 23 by a radial transmission or distribution facility, creates a risk to public health

- 1 or safety, and has lasted or is expected to last for at least twelve hours, as
 2 reasonably determined by the transmission and distribution utility;
- 3 (4) results in a loss of electric power that creates a risk to public health or safety
 4 because it a critical infrastructure facility that serves the public such as a
 5 hospital, healthcare facility, law enforcement facility, fire station, or water
 6 or wastewater facility;
- 7 (5) causes ERCOT to order a transmission and distribution utility to shed load;
 8 or
- 9 (6) results in a loss of electric power and is deemed by the Texas Division of
 10 Emergency Management, ERCOT, or the executive director of the
 11 Commission as being a significant power outage.

12 **Q. IS THE COMPANY REQUESTING REVISIONS TO SECTION 6.2.3(5) OF**
 13 **THE COMPANY’S RETAIL TARIFF?**

14 A. Yes. In response to the Texas Legislature’s revision of use cases from “widespread
 15 power outage” to “significant power outage,” the Company requests certain
 16 revisions to Section 6.2.3(5) of the Company’s Retail Tariff. The Company’s
 17 requested revisions are intended to ensure that the Company has flexibility in the
 18 operation of TEEEF during a significant power outage. The Company requests the
 19 following revisions to Section 6.2.3(5) of the Company’s Retail Tariff:

- 20 5. Company may, in its sole judgment, lease and operate
 21 facilities that provide temporary emergency electric energy
 22 in accordance with Applicable Legal Authorities. During a
 23 significant power outage, as defined by Applicable Legal

1 Authorities, Company may, in its sole judgment, determine
2 whether, when, where, or how long to operate facilities that
3 provide temporary emergency electric energy; such
4 determination shall be deemed consistent with and non-
5 discriminatory under Section 3.7,
6 NON-DISCRIMINATION. During a significant power
7 outage, as defined by Applicable Legal Authorities,
8 Company may, in its sole judgment, determine which Retail
9 Customer or Retail Customers receive service from facilities
10 that provide temporary emergency electric energy, including
11 prioritizing service to a Critical Load Public Safety
12 Customer such as a hospital, healthcare facility, law
13 enforcement facility, fire station, or water or wastewater
14 facility; such determination and prioritization shall be
15 deemed consistent with and non-discriminatory under
16 Section 3.7, NON-DISCRIMINATION. Company's choice
17 to operate and Company's operation of facilities that provide
18 temporary emergency electric energy during a significant
19 ~~widespread~~ power outage are not a guarantee of steady and
20 continuous Delivery Service and are not a guarantee against
21 fluctuations, irregularities, or interruptions in Delivery
22 Service. All Competitive Retailers and Retail Customers that
23 receive Delivery Service from Company receive Delivery

1 Service under the rates, terms, and conditions outlined in this
2 Tariff, including, but not limited to, Section 3.7,
3 NON-DISCRIMINATION, Section 3.11, GOVERNING
4 LAWS AND REGULATIONS, Section 3.13, QUALITY
5 OF DELIVERY SERVICE, Section 4.2.5, EMERGENCIES
6 AND NECESSARY INTERRUPTIONS, Section 4.2.6,
7 LIMITATION OF WARRANTIES BY COMPANY,
8 Section 5.2.5, EMERGENCIES AND NECESSARY
9 INTERRUPTIONS, and Section 5.2.6, LIMITATION OF
10 WARRANTIES BY COMPANY. Company's operation of
11 facilities that provide temporary emergency electric energy
12 during a significant ~~widespread~~ power outage shall not
13 abridge, enlarge, or modify the limits on liability outlined in
14 Section 4.2, LIMITS ON LIABILITY, and SECTION 5.2,
15 LIMITS ON LIABILITY. *Company will not be liable for*
16 *any damages, whether direct or consequential, including,*
17 *without limitation, loss of profits, loss of revenue, or loss of*
18 *production capacity, occasioned by Company's use of*
19 *facilities that provide temporary emergency electric energy*
20 *during a significant ~~widespread~~ power outage. including,*
21 *without limitation, the deployment (or lack of deployment),*
22 *location, capacity, duration, or operation of such facilities,*
23 *or any fluctuations, irregularities, or interruptions in*

1 *Delivery Service from such facilities.* However, if damages
 2 are caused by Company's gross negligence or intentional
 3 misconduct, this provision shall not preclude recovery of
 4 appropriate damages when legally due. This tariff provision
 5 6.2.3 expires on the effective date of revisions to Company's
 6 pro forma tariff related to facilities that provide temporary
 7 emergency electric energy.

8 **Q. IS THE COMPANY REQUESTING OTHER REVISIONS TO THE**
 9 **COMPANY'S RETAIL TARIFF?**

10 A Yes. The Company is also requesting revisions to Section 6.1.2.3.3 of the
 11 Company's Retail Tariff.

12 **Q. PLEASE DESCRIBE SECTION 6.1.2.3.3 OF THE COMPANY'S RETAIL**
 13 **TARIFF.**

14 A Section 6.1.2.3.3 of the Company's Retail Tariff addresses the provision of
 15 Premium Service to customers that request Premium Service. Premium Service
 16 includes back-up, stand-by, redundant, and other premium delivery service.

17 **Q. WHAT TYPE OF CUSTOMERS TYPICALLY REQUEST AND RECEIVE**
 18 **PREMIUM SERVICE?**

19 A. The type of customers that typically request and receive Premium Service are
 20 customers that operate equipment that is sensitive to voltage fluctuations or
 21 irregularities or customers that require higher levels of service.

1 **Q. WHAT IS THE PROCESS UNDERTAKEN BY THE COMPANY TO**
2 **PROVIDE PREMIUM SERVICE TO CUSTOMERS THAT REQUEST**
3 **PREMIUM SERVICE?**

4 A. As part of providing Premium Service, the Company installs additional equipment
5 such as switches, breakers, and transformers and may need to modify or extend
6 facilities . For customers that seek Premium Service, the Company and customer
7 execute the Company's standard Premium Service Study Agreement, which is in
8 Section 6.3.4.6 of the Company's Retail Tariff. The Premium Service Study
9 Agreement details the terms and conditions under which the Company will conduct
10 a design and engineering study to determine the modifications and additions needed
11 to provide Premium Service to the customer. Upon conclusion of the design and
12 engineering study, and to the extent that the customer seeks to proceed with
13 receiving Premium Service, the Company and the customer execute Company's
14 standard Premium Service Agreement, which is also in Section 6.3.4.6 of the
15 Company's Retail Tariff. The Premium Service Agreement details the terms and
16 conditions under which the Company will install necessary equipment and make
17 other modifications to provide Premium Service to the customer.

18 **Q. WHAT REVISIONS TO SECTION 6.1.2.3.3 OF THE COMPANY'S TARIFF**
19 **IS THE COMPANY REQUESTING?**

20 A. The Company requests that Section 6.1.2.3.3 of the Company's Tariff be revised to
21 clarify that Premium Service (and corresponding requirements and related
22 agreements) also applies to the installation of additional equipment and
23 modification or extension of Company facilities to ensure that a customer's

1 operation of certain technologies such as distributed energy resources or a
2 microgrid on the customer's premises (i.e., customer's side of the meter) does not
3 affect the safe and reliable operation of the Company's delivery system (i.e.,
4 Company's side of the meter). Thus, the Company requests that Section 6.1.2.3.3
5 of the Company's Tariff be revised as follows:

6 **6.1.2.3.3 PREMIUM SERVICE - RATE PS**

7 Some Retail Customers taking Delivery System Services under
8 Section 6.1.1.1 of this Tariff operate sensitive equipment, or have
9 other needs that require higher levels of Delivery System Service
10 reliability than is achievable from the Company's standard Delivery
11 System, or operate equipment located at or past the Retail
12 Customer's Point of Delivery that may impact the safe and reliable
13 operation of the Company's Delivery System. Company will
14 accommodate Retail Customers' requests for the provision of back-
15 up, stand-by, redundant or other premium Delivery Services at
16 either Distribution Voltages or Transmission Voltages (collectively,
17 Premium Service) where facilities of adequate capacity, proper
18 phase and suitable voltage can be made available. Premium Service
19 includes the installation of equipment and modification or extension
20 of facilities needed, in Company's sole judgment, to ensure the safe
21 and reliable operation of the Company's Delivery System due to
22 equipment located at or past the Retail Customer's Point of Delivery
23 whose operation may impact the Company's Delivery System. The

1 provision of Premium Service requires the installation of additional
2 equipment and the extension of Delivery System facilities at Retail
3 Customer expense, including the construction or upgrade of primary
4 feeder circuits, the installation of automatic rollover switches,
5 breakers, transformers, meters and related equipment on or adjacent
6 to Retail Customer premises, and power quality equipment and
7 various other facilities and devices needed for the safe and reliable
8 operation of Company's Delivery System (collectively, the Facility
9 Extension). Retail Customer is responsible for the cost of the
10 Facility Extension pursuant to the Company's Construction Services
11 Policy in Section 6.1.2.2 of this Tariff.

12 **Q. IS THE COMPANY REQUESTING OTHER REVISIONS RELATED TO**
13 **PREMIUM SERVICE?**

14 A. Yes, the Company also requests minor revisions to the first paragraphs in the
15 Premium Service Study Agreement and Premium Service Agreement in Section
16 6.3.4.6 of the Company's Retail Tariff. The Company requests the following
17 revisions to both agreements:

18 Premium Service Study Agreement:

19 Company is an electric utility that provides standard retail electric
20 power delivery service ("**Standard Service**") through its utility
21 distribution and transmission system (the "**Delivery System**") to
22 customers pursuant to the standard rate schedules in its Tariff for
23 Retail Delivery Service (the "**Tariff**") and offers back-up or

1 redundant electric power delivery service or requires the installation
2 of equipment and modification or extension of facilities (“**Premium**
3 **Service**”) to customers with non-Standard Service requirements or
4 customers that operate certain equipment that may affect the
5 Delivery System pursuant to the Company’s Premium Service rate
6 schedule in its Tariff.

7 Premium Service Agreement

8 Company is an electric utility that provides standard retail electric
9 power delivery service (“**Standard Service**”) through its utility
10 distribution and transmission system (the “**Delivery System**”) to
11 customers pursuant to the standard rate schedules in its Tariff for
12 Retail Delivery Service (the “**Tariff**”) and offers back-up or
13 redundant electric power delivery service or requires the installation
14 of equipment and modification or extension of facilities (“**Premium**
15 **Service**”) to customers with non-Standard Service requirements or
16 customers that operate certain equipment that may affect the
17 Delivery System pursuant to the Company’s Premium Service rate
18 schedule in its Tariff.

19 **Q. PLEASE EXPLAIN THE REVISION TO THE TARIFF REGARDING**
20 **CUSTOMER-OWNED 345KV SUBSTATIONS.**

21 A. The Company is requesting that Section 6.1.2.2 of the Company’s Retail Tariff be
22 revised to address transmission voltage facility extensions to customer-owned 345
23 kV substations.

1 **Q. PLEASE EXPLAIN FURTHER.**

2 A. Section 6.1.2.2 of the Company's Retail Tariff, which is the Company's
3 Construction Services Policy and Charges, details the terms and conditions by
4 which the Company constructs, extends, upgrades, or alters the Company's
5 facilities to connect a customer. Subsection 2.3 of the Company's Construction
6 Services Policy and Charges details the terms and conditions by which the
7 Company will connect a customer to the Company's transmission system.

8 **Q. WHAT VOLTAGE HAS THE COMPANY TYPICALLY CONNECTED**
9 **TRANSMISSION LEVEL CUSTOMERS?**

10 A. The Company has connected transmission level customers at 138 kV.

11 **Q. WILL THERE BE INSTANCES IN THE COMPANY'S SERVICE AREA IN**
12 **WHICH TRANSMISSION LEVEL CUSTOMERS WILL NEED TO BE**
13 **CONNECTED AT 345 KV INSTEAD OF 138 KV?**

14 A. Yes. There are several future projects in the Company's service area, such as
15 hydrogen-related projects, that require transmission level connections and that are
16 projected to have high amounts of load when compared to the Company's current
17 transmission level customers. Using its engineering and operational judgment, the
18 Company has determined that future projects that are projected to have high
19 amounts of load need to be connected at 345 kV instead of 138 kV to be safely and
20 reliably served.

21 **Q. WHAT IS THE TARIFF REVISION THAT THE COMPANY IS**
22 **REQUESTING?**

23 A. The Company requests that Subsection 2.3 of the Company's Construction Services

1 Policy and Charges be revised to include customer-owned 345 kV substations. The
2 Company requests the following revisions to Subsection 2.3 of the Company's
3 Construction Services Policy:

4 **Subsection 2.3 - Transmission Voltage Facility Extensions**

5 A Retail Customer whose load is of such magnitude or of such
6 unusual characteristics that it cannot otherwise be economically
7 served from Company's Distribution Voltage system, as determined
8 by Company, must receive Delivery Service from the Company's
9 Transmission Voltage system. The Retail Customer is responsible
10 for all Facility Extension costs and (unless otherwise agreed by
11 Company) for constructing, installing, operating and maintaining a
12 customer-owned substation at the Point of Delivery and all
13 substation equipment, in accordance with the Company's
14 specifications, including the most recent versions of Company's
15 "Specification for Customer-Owned 138 kV Substation Design" or
16 "Specification for Customer-Owned 345 kV Substation Design,"
17 whichever is applicable, and the Company's "Specification for
18 Remote Telemetry of a Customer Owned Facility," both initially
19 and from time to time thereafter, whenever changes in the
20 Company's transmission system (including the transmission
21 system's monitoring and protection devices) require such changes
22 in the substation in order to maintain its compatibility with the
23 Company's transmission system. The Retail Customer must also at

1 all times comply with Company's Transmission & Substation
 2 Outage and Clearance Coordination Procedures" (as may be
 3 amended from time to time) and the requirements in Sections 5.5.2
 4 and 5.5.5 of this Tariff.

5 **Q. ARE THERE ADDITIONAL NON-RATE TARIFF CHANGES**
 6 **IDENTIFIED IN JRD-7?**

7 A. Yes. As mentioned above, CenterPoint Houston is making several changes to
 8 remove unused riders from the class tariff sheets, harmonize tariff language and
 9 make other non-substantive changes to improve readability or understanding of the
 10 tariff language.

11 **Q. CAN YOU PLEASE GIVE SOME EXAMPLES OF THESE CHANGES?**

12 A. Yes. I can offer three examples. First, the Company is updating the Table of
 13 Contents to reflect deleted Chapter 6 tariff sheets and reordering the remaining
 14 tariff sheets. Second, the Company is removing references to deleted tariff sheets
 15 in each of the rate classes. Third, the Company is harmonizing AMS capable IDR
 16 meter language and traditional IDR meter language to represent the same
 17 functionality of the meters, despite their technological differences.

18 **VII. CHANGES TO CUSTOMER AGREEMENTS**

19 **Q. HAVE YOU INCLUDED A SUMMARY OF THE COMPANY'S**
 20 **PROPOSED RATE AND NON-RATE TARIFF CHANGES WITH YOUR**
 21 **TESTIMONY?**

22 A. Yes. Exhibit JRD-8 is a redline showing the proposed revisions to the Retail Tariff.

1 **Q. ARE THESE CHANGES REASONABLE?**

2 A. Yes, for the reasons discussed above in my discussion of the individual changes.

3 **VIII. WHOLESALE DELIVERY SERVICE TARIFF**

4 **Q. WHAT CHANGES ARE YOU PROPOSING TO THE WHOLESALE**
5 **TARIFF?**

6 A. I propose updating the charge in the Wholesale Transmission Service – WTS rate,
7 Sheet No. 4.1 in the Wholesale Tariff, to reflect CenterPoint Houston’s current cost
8 of providing this service. This charge is determined by dividing CenterPoint
9 Houston’s Test Year adjusted Transmission cost of \$697,326,740 by the year 2024
10 ERCOT 4CP, 83,557 addressed in Docket No. 56050²¹, for a Wholesale
11 Transmission Service Rate of \$8,345.5369 per MW. This proposed change for the
12 Wholesale Delivery Tariff is shown in Exhibit JRD-10.

13 **Q. IS THIS THE WHOLESALE RATE THAT YOU ARE PROPOSING TO BE**
14 **EFFECTIVE AT THE CONCLUSION OF THIS CASE?**

15 A. No. Interim Transmission Cost of Service updates are allowed under 16 TAC §
16 25.192(h)(1) and it is possible that CenterPoint Houston will have had an interim
17 TCOS approved while this case is in process. CenterPoint Houston will update its
18 TCOS to reflect costs captured in the Test Year and the additions included after the
19 Test Year.

²¹ Commission Staff’s Petition to Set 2024 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas Docket No. 56050(pending). It should be noted that although the 2024 4CP calculation had not been approved at the time this application was filed, the Company utilized the proposed rates pending approval in this proceeding for purposes of setting the wholesale charge.

1 **Q. WOULD THE COSTS IN THE INTERIM TCOS FILING STILL BE**
2 **SUBJECT TO A PRUDENCY REVIEW IN CENTERPOINT HOUSTON’S**
3 **NEXT BASE RATE CASE?**

4 A. Yes. Costs included in the Test Year are subject to prudency review during this
5 proceeding and additions not included in this Test Year would be subject to
6 prudency review during CenterPoint Houston’s next base rate case proceeding.

7 **Q. WILL YOU BRIEFLY EXPLAIN THE WHOLESALE TAX RIDER**
8 **CENTERPOINT HOUSTON IS PROPOSING?**

9 A. Yes. The Company is proposing a Wholesale Service Rider WT IRA to recover
10 changes in the Company’s tax obligation as discussed by Company witness Mrs.
11 Story. Company witness Kristie Colvin directly addresses the proposed cost for
12 recovery through the Rider WT IRA.

13 **Q. HOW WILL THE WHOLESALE SERVICE RIDER IRA BE CHARGED TO**
14 **DSPS IN ERCOT?**

15 A. The Wholesale service tax rider will be charged to all DSPs taking transmission
16 service in or from ERCOT.

17 **Q. HOW WAS THE RATE FOR THE TAX RIDER DETERMINED?**

18 A. This rate is calculated using the ERCOT postage stamp method required by 16 TAC
19 § 25.192. To determine the initial rate the revenue requirement of will be divided
20 by the 2024 ERCOT 4CP to calculate a rate.

21 **Q. CAN YOU PLEASE DESCRIBE THE WHOLESALE TARIFF FOR WDS**
22 **CUSTOMERS?**

23 A. Commission Rule 16 TAC § 25.191(d)(2)(C) requires a distribution service

1 provider to file a tariff with the Commission for wholesale transmission service at
2 distribution level voltage if the distribution service provider receives a valid request
3 to provide such service.

4 **Q. DOES CENTERPOINT HOUSTON CURRENTLY SERVE ANY WDS**
5 **CUSTOMERS?**

6 No. CenterPoint Houston has received inquiries from interested entities, but
7 wholesale transmission service at distribution level voltage or entered into an
8 Interconnection Agreement to provide such service. CenterPoint Houston
9 anticipates that it will receive such requests from distribution energy storage
10 resources ("DESRs") and submitted an application in Docket No. 53606 for
11 approval to amend the Wholesale Tariff to establish rates and other terms and
12 conditions for WDS.²² The amended Wholesale Tariff replaced CenterPoint
13 Houston's existing Wholesale Tariff and renamed it "Tariff for Wholesale Delivery
14 Service" and to include terms and rates for customers requesting WDS, as well as
15 changes related to the interconnection process.

16 **Q. PLEASE EXPLAIN WHO WILL BE ELIGIBLE FOR WDS UNDER THE**
17 **WHOLESALE TARIFF.**

18 A. WDS is available to a power generation company ("PGC") with a DESR
19 interconnected to CenterPoint Houston's distribution system at one point of
20 interconnection, measured through one separate meter. To receive the service, the
21 customer must also execute an interconnection agreement with CenterPoint

²² Application of CenterPoint Energy Houston Electric, LLC for Approval to Amend its Wholesale Transmission Service Tariff, Docket No. 53606 (May 13, 2022).

1 Houston.

2 **Q. HOW WERE WDS RATES DERIVED?**

3 A. Currently there is no cost history on a DESR customer taking energy at the
4 distribution level. It is reasonable to charge the same rate as is charged to a retail
5 customer taking energy at the distribution level under the CenterPoint Houston
6 Retail Delivery Tariff. The DESR customers are expected to take Primary service
7 and thus the charges reflect the same charges that would be charged to a retail
8 customer in the Primary class.

9 **Q. IS THE COMPANY UPDATING THE CURRENT WHOLESALE**
10 **DISTRIBUTION SERVICE RATES?**

11 A. No. The current interim rates were established as part of a settlement agreement in
12 Docket No. 53606. In that docket, parties agreed to adopt the PVS rates subject to
13 refund or surcharge established in Docket No. 49421 for WDS customers until the
14 Commission rulemaking on DESRs establishes the costs applicable to DESRs. The
15 Commissioners agreed during the May 12, 2022 Open Meeting to develop the rule
16 “in parallel” with individual tariff amendment proceedings so as not to delay the
17 interconnection of much-needed DESRs.²³

18 **Q. WHAT OTHER CHARGES ARE ASSOCIATED WITH WDS UNDER THE**
19 **WHOLESALE TARIFF?**

20 A. A customer taking Wholesale Distribution Service under the Wholesale Tariff will
21 be assessed a non-bypassable Distribution Service Charge adjustment pursuant to

²³ Public Utility Commission of Texas Open Meeting at 1:25:08, 1:19:10-1:37:03 (May 12, 2022)
available online at: https://www.adminmonitor.com/tx/puct/open_meeting/20220512/.

1 the rider in Section 4.3 of the tariff. The Distribution Service Charge adjustment is
2 based on the monthly per unit cost (the "WDCRF") multiplied by the Customer's
3 appropriate monthly billing determinant. The WDCRF is calculated according to
4 the formula as set out in the tariff. Currently, there is no charge for WDCRF. WDS
5 customers will be assessed the Wholesale Distribution Rider WD IRA.

6 **Q. WILL YOU BRIEFLY EXPLAIN THE WHOLESALE DISTRIBUTION**
7 **TAX RIDER CENTERPOINT HOUSTON IS PROPOSING?**

8 A. Yes. The Company is proposing Rider WD IRA to recover changes in the
9 Company's tax obligation as discussed by Company witness Mrs. Story. Company
10 witness Kristie Colvin directly addresses the proposed cost for recovery through
11 the Rider IRAs. The proposed Wholesale Distribution Rider WD IRA can be found
12 in Exhibit JRD-10.

13 **Q. WHAT ALLOCATION METHOD DID YOU APPLY TO THE COSTS IN**
14 **THE PROPOSED TAX RIDER?**

15 A. I allocated costs using the Taxable Income Allocators excluding transmission in the
16 II-I-2 Class Ratios schedule, in the same manner I developed the allocation
17 percentage and rates for the retail Primary customer class. The Distribution,
18 Customer and Meter functions were used to determine the allocation for the Retail
19 Primary customer class and those charges or other Commission approved rates will
20 be applicable to the Wholesale Distribution Rider WD IRA once the Commission
21 rule is updated and Wholesale Distribution Service rates are in effect. The revenue
22 requirement for the Transmission function does not apply to WDS customers.

1 **Q. WHAT IS THE PROPOSED REVENUE REQUIREMENT OF THE NEW**
2 **WHOLESALE DISTRIBUTION TAX RIDER?**

3 A. In this proceeding the rates will be set at zero. As mentioned above, CenterPoint
4 Houston is currently using rates that were established as part of a settlement, no
5 customers are currently taking WDS and at current, the Commission has not
6 finalized a rule regarding the treatment of WDS customers as it pertains to
7 distribution charges.

8 **IX. CONCLUSION**

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes.

John Durland
Director of Rates
CenterPoint Energy Service Company, LLC
1111 Louisiana Street, Houston, Texas 77002

CURRENT RESPONSIBILITIES

Implementation of strategy for cost of service, cost allocation, rate design, and tariffs for delivery rates for CenterPoint Energy Houston Electric and gas cost adjustments in Texas, Louisiana and Mississippi.

PREVIOUS PROFESSIONAL EMPLOYMENT

CenterPoint Energy Service Company, LLC, 2018-2022
Manager of Rates

CenterPoint Energy Service Company, LLC, 2016-2018
Manager of Energy Efficiency Compliance

CPS Energy, 2010 – 2016
Energy Efficiency Programs Manager

EDUCATION

Texas A&M Kingsville, MBA
Eastern Kentucky University, BBA

PREVIOUS TESTIMONY:

Public Utility Commission of Texas

Docket No. 53442 - *Application of CenterPoint Energy Houston Electric, LLC for Approval to Amend its Distribution Cost Recovery Factor*

Docket No. 52194 - *Application of CenterPoint Energy Houston Electric, LLC for Approval of an Adjustment to its Energy Efficiency Cost Recovery Factor*

Docket No. 50908 - *Application of CenterPoint Energy Houston Electric, LLC for Approval of an Adjustment to its Energy Efficiency Cost Recovery Factor*

Docket No. 50653 – *Application of CenterPoint Energy Houston Electric, LLC For Interim Update of Wholesale Transmission Rates*

Docket No. 49583 – *Application of CenterPoint Energy Houston Electric, LLC for Approval of an Adjustment to its Energy Efficiency Cost Recovery Factor*

Docket No. 48420 – *Application of CenterPoint Energy Houston Electric, LLC for Approval of an Adjustment to its Energy Efficiency Cost Recovery Factor*

Docket No. 47232 – *Application of CenterPoint Energy Houston Electric, LLC for Approval of an Adjustment to its Energy Efficiency Cost Recovery Factor*

Docket No. 54825 - *Application of CenterPoint Energy Houston Electric, LLC for Approval to Amend its Distribution Cost Recovery Factor*

Docket No. 54830 - *Application of CenterPoint Energy Houston Electric, LLC to Amend its Temporary Emergency Electric Energy Facilities Rider*

The following files are not convertible:

Exhibits JRD 2,4,4.1,5,6.xlsx
Exhibit JRD-03.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.

Non-Rate Tariff Change Summary

Tariff For Retail Delivery Service

Table of Contents Changes

Updated to reflect the deletion of expired and redundant Chapter 6 tariff sheets, the reordering and renumbering of some Chapter 6 sections and the addition of a new Rider IRA.

Chapter 6 Changes

6.1.1.1 Charges for Distribution and Transmission System Service.

6.1.1.1.1 Residential Service.

II. Transition Charge:

- Removed TC2, TC3 and SRC

V. Other Charges or Credits:

- Removed letter D. Accumulated Deferred Federal Income Tax Credit
- Letter D. becomes Rider DCRF, Letter E. becomes Rider TEEEF and Letter F. becomes Rider IRA

6.1.1.1.2 Secondary Service < 10.

II. Transition Charge:

- Removed TC2, TC3 and SRC

V. Other Charges or Credits:

- Removed letter D. Accumulated Deferred Federal Income Tax Credit
- Letter D. becomes Rider DCRF, Letter E. becomes Rider TEEEF and Letter F. becomes Rider IRA

6.1.1.1.3 Secondary Service > 10.

I. Transmission and Distribution Charges:

- Added "IDR or IDR Capable AMS"

II. Transition Charge:

- Removed TC2, TC3 and SRC

V. Other Charges or Credits:

- Removed letter D. Accumulated Deferred Federal Income Tax Credit
- Letter D. becomes Rider DCRF, Letter E. becomes Rider TEEEF and Letter F. becomes Rider IRA

TERMS OF SERVICE:

- Added "IDR or IDR Capable AMS"

6.1.1.1.4 Primary Service.

I. Transmission and Distribution Charges:

- Added “IDR or IDR Capable AMS”

II. Transition Charge:

- Removed TC2, TC3 and SRC

V. Other Charges or Credits:

- Removed letter D. Accumulated Deferred Federal Income Tax Credit
- Letter D. becomes Rider DCRF, Letter E. becomes Rider TEEEF and Letter F. becomes Rider IRA

TERMS OF SERVICE:

- Added “IDR or IDR Capable AMS”

6.1.1.1.5 Transmission Service.

II. Transition Charge:

- Removed TC2 and TC3

V. Other Charges or Credits:

- Added Letter F. Rider IRA
- Added Letter G. Customer Load Study Charge – For conducting a load study for retail customers with a new load or load addition of 10 MW or more.

6.1.1.1.6 Lighting Services.

STREET LIGHTING SERVICE and MISCELLANEOUS LIGHTING SERVICE.

Type of Service:

- Added language that the Company’s standard lamp type is LED. A non-standard lamp type will be subject to availability because the Company is no longer procuring non-standard lamp types.

I. Transmission and Distribution Charges:

- Added Mercury Vapor Guard Lighting

II. Transition Charge:

- Removed TC2, TC3 and SRC

V. Other Charges or Credits:

- Removed letter D. Accumulated Deferred Federal Income Tax Credit
- Letter D. becomes Rider DCRF, Letter E. becomes Rider TEEEF and Letter F. becomes Rider IRA

6.1.1.2 Schedule TC

6.1.1.2.2 Schedule TC2-Transition Charges.

- Deleted in its entirety.

6.1.1.2.3 Schedule TC3-Transition Charges.

- Deleted in its entirety.

6.1.1.2.4 Schedule SRC-System Restoration Charges.

- Deleted in its entirety.

6.1.1.6 Other Charges

6.1.1.6.3 Rider TCRF – Transmission Cost Recovery Factor.

- Added “IDR or IDR Capable AMS”

6.1.1.6.7 Rider CERP – COVID-19 Electricity Relief Program.

- Deleted in its entirety.

6.1.1.6.10 Rider ADFITC-Accumulated Deferred Income Tax Credit.

- Deleted in its entirety.

6.1.1.6.10 Rider IRA – Inflation Reduction Act 2022.

- New added rider.

6.1.1.6.12 Rider Remand – Remand of EECRF Surcharge.

- Deleted in its entirety.

6.1.2 Discretionary Service Charges

6.1.2.2 Construction Services Policy and Charges.

Section 1: Introduction

- Deleted the word “nonrefundable.”

Section 2: Facility Extensions to Permanent Retail Customer Electrical Installations

Subsection 2.3 – Transmission Voltage Facility Extensions

- Added the phrase “or Specification for Customer-Owned 345 kV Substation Design, whichever is applicable.”

6.1.2.3 Discretionary Charges Other Than Construction Services Charges.

6.1.2.3.3 Premium Service – Rate PS.

- Added the phrase “or operate equipment located at or past the Retail Customer’s Point of Delivery that may impact the safe and reliable operation of the Company’s Delivery System.”
- Added the phrase “Premium Service includes installation of equipment and modification or extension of facilities needed, in Company’s sole judgement, to ensure the safe and reliable operation of the Company’s Delivery System due to equipment located at or past the Retail Customer’s Point of Delivery whose operations may impact the Company’s Delivery System.”

6.1.2.4 Distributed Generation Service – Rate DGS

- Added Pre-Screen Study Fees to table for DG from 500 to 10,000kW.
- Added new table for Pre-Screen Study Fees and Interconnection Study Fees for distributed energy resource (DER) systems with interconnection capacity > 10,000kW up to 30,000kW and for DER systems that participate in the Wholesale Delivery Services (WDS) with interconnection capacity up to 10,000kW.

6.2 Company Specific Terms & Conditions

6.2.3 Additional Company Specific Terms and Conditions.

- Added clarifying language to provision, No. 5, pertaining to temporary emergency electric energy.

6.3 Agreements and Forms

6.3.4.6 Premium Service Agreement.

Premium Service Study Agreement

- Added the phrase “or requires the installation of equipment and modification or extension of facilities.”
- Added the phrase “or customers that operate certain equipment that may affect the Delivery System.”

Premium Service Agreement

- Added the phrase “or requires the installation of equipment and modification or extension of facilities.”
- Added the phrase “or customers that operate certain equipment that may affect the Delivery System.”

Tariff For Wholesale Delivery Service

Table of Contents Changes

Updated to reflect the addition of Rider WDIRA – Wholesale Distribution Inflation Reduction Act 2022 and Rider WTIRA – Wholesale Transmission Inflation Reduction Act 2022.

Section 4.4. Rider WDIRA – Wholesale Distribution Inflation Reduction Act 2022

- New added rider

Section 4.5. Rider WTIRA – Wholesale Transmission Inflation Reduction Act 2022

- New added rider

TARIFF FOR RETAIL DELIVERY SERVICE

**CenterPoint Energy Houston Electric, LLC
1111 LOUISIANA
P. O. BOX 1700
HOUSTON, TEXAS 77251**

TABLE OF CONTENTS

CHAPTER 1: DEFINITIONS.....	9
CHAPTER 2: DESCRIPTIONS OF COMPANY’S CERTIFIED SERVICE AREA	19
CHAPTER 3: GENERAL SERVICE RULES & REGULATIONS.....	22
3.1 APPLICABILITY.....	22
3.2 GENERAL.....	22
3.3 DESCRIPTION OF SERVICE	22
3.4 CHARGES ASSOCIATED WITH DELIVERY SERVICE	23
3.5 AVAILABILITY OF TARIFF	23
3.6 CHANGES TO TARIFF.....	23
3.7 NON-DISCRIMINATION.....	24
3.8 FORM AND TIMING OF NOTICE.....	24
3.9 DESIGNATION OF COMPANY CONTACT PERSONS FOR MATTERS RELATING TO DELIVERY SERVICE	24
3.10 INVOICING TO STATE AGENCIES	25
3.11 GOVERNING LAWS AND REGULATIONS.....	25
3.12 GOOD-FAITH OBLIGATION.....	25
3.13 QUALITY OF DELIVERY SERVICE.....	25
3.14 COOPERATION IN EMERGENCIES.....	26
3.15 SUCCESSORS AND ASSIGNS	26
3.16 EXERCISE OF RIGHT TO CONSENT.....	26
3.17 WAIVERS	26
3.18 NON-BUSINESS DAY DESIGNATIONS	26
3.19 PUBLIC SERVICE NOTICE.....	27
3.20 HEADINGS.....	27

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8008

CHAPTER 4: SERVICE RULES AND REGULATIONS RELATING TO ACCESS TO DELIVERY SYSTEM OF COMPANY BY COMPETITIVE RETAILERS28

4.1	GENERAL SERVICE RULES AND REGULATIONS	28
4.1.1	APPLICABILITY OF CHAPTER	28
4.1.2	REQUIRED NOTICE	28
4.2	LIMITS ON LIABILITY.....	28
4.2.1	LIABILITY BETWEEN COMPANY AND COMPETITIVE RETAILERS	28
4.2.2	LIMITATION OF DUTY AND LIABILITY OF COMPETITIVE RETAILER	29
4.2.3	DUTY TO AVOID OR MITIGATE DAMAGES	29
4.2.4	FORCE MAJEURE	29
4.2.5	EMERGENCIES AND NECESSARY INTERRUPTIONS	29
4.2.6	LIMITATION OF WARRANTIES BY COMPANY	30
4.3	SERVICE.....	30
4.3.1	ELIGIBILITY	30
4.3.2	INITIATION OF DELIVERY SYSTEM SERVICE (SERVICE CONNECTION)	31
4.3.2.1	INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED	31
4.3.2.2	INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE REQUIRED	31
4.3.3	REQUESTS FOR DISCRETIONARY SERVICES INCLUDING CONSTRUCTION SERVICES	32
4.3.4	CHANGING OF DESIGNATED COMPETITIVE RETAILER	32
4.3.5	SWITCHING FEE	33
4.3.6	IDENTIFICATION OF THE PREMISES AND SELECTION OF RATE SCHEDULES	33
4.3.7	PROVISION OF DATA BY COMPETITIVE RETAILER TO COMPANY	34
4.3.8	SUSPENSION OF DELIVERY SERVICE	35
4.3.9	CRITICAL CARE, CHRONIC CONDITION, CRITICAL LOAD CUSTOMER DESIGNATION	35
4.3.9.1	CRITICAL CARE RESIDENTIAL CUSTOMER OR CHRONIC CONDITION RESIDENTIAL CUSTOMER STATUS	35
4.3.9.2	CRITICAL LOAD INDUSTRIAL CUSTOMER OR CRITICAL LOAD PUBLIC SAFETY	35
4.3.9.3	OTHER COMPANY RESPONSIBILITIES	36
4.3.10	NOTICED SUSPENSION NOT RELATED TO EMERGENCIES OR NECESSARY INTERRUPTIONS	36
4.3.11	RESTORATION OF DELIVERY SERVICE	37
4.3.12	DISCONNECTION OF SERVICE TO RETAIL CUSTOMER'S FACILITIES AT THE REQUEST OF COMPETITIVE RETAILER	37
4.3.12.1	MOVE OUT REQUEST	37
4.3.12.2	DISCONNECTION DUE TO NON-PAYMENT OF COMPETITIVE RETAILER CHARGES; RECONNECTION AFTER DISCONNECTION	37
4.3.12.3	COORDINATED DISCONNECTION	38
4.3.13	CUSTOMER REQUESTED CLEARANCE	38
4.3.14	EXTREME WEATHER	38
4.4	BILLING AND REMITTANCE.....	38

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8008

4.4.1	CALCULATION AND TRANSMITTAL OF DELIVERY SERVICE INVOICES	38
4.4.2	CALCULATION AND TRANSMITTAL OF CONSTRUCTION SERVICE CHARGES	39
4.4.3	INVOICE CORRECTIONS	39
4.4.4	BILLING CYCLE	40
4.4.5	REMITTANCE OF INVOICED CHARGES	40
4.4.6	DELINQUENT PAYMENTS	41
4.4.7	PARTIAL PAYMENTS	41
4.4.8	INVOICE DISPUTES	41
4.4.9	SUCCESSOR COMPETITIVE RETAILER	42
4.5	SECURITY DEPOSITS AND CREDITWORTHINESS	42
4.5.1	SECURITY RELATED TO TRANSITION CHARGES	42
4.5.2	SECURITY RELATED TO OTHER DELIVERY CHARGES	43
4.5.2.1	DEPOSIT REQUIREMENTS	43
4.5.2.2	SIZE OF DEPOSIT	43
4.5.2.3	FORM OF DEPOSIT	43
4.5.2.4	INTEREST	44
4.5.2.5	HISTORICAL DEPOSIT INFORMATION	44
4.5.2.6	REFUND OF DEPOSIT	44
4.6	DEFAULT AND REMEDIES ON DEFAULT	44
4.6.1	COMPETITIVE RETAILER DEFAULT	44
4.6.2	REMEDIES ON DEFAULT	45
4.6.2.1	DEFAULT RELATED TO FAILURE TO REMIT PAYMENT OR MAINTAIN REQUIRED SECURITY	45
4.6.2.2	DEFAULT RELATED TO FAILURE TO SATISFY OBLIGATIONS UNDER TARIFF	46
4.6.2.3	DEFAULT RELATED TO DE-CERTIFICATION	46
4.6.3	CURE OF DEFAULT	46
4.7	MEASUREMENT AND METERING OF SERVICE	46
4.7.1	MEASUREMENT	46
4.7.2	METER READING	47
4.7.2.1	DENIAL OF ACCESS BY RETAIL CUSTOMER	47
4.7.2.2	ESTIMATES FOR REASONS OTHER THAN FOR DENIAL OF ACCESS BY RETAIL CUSTOMER	48
4.7.2.3	STANDARD METER DATA	49
4.7.3	REPORTING MEASUREMENT DATA	49
4.7.4	METER TESTING	49
4.7.5	INVOICE ADJUSTMENT DUE TO METER INACCURACY, METER TAMPERING OR THEFT	50
4.8	DATA EXCHANGE	50
4.8.1	DATA FROM METER READING	50
4.8.1.1	DATA RELATED TO INTERVAL METERS	51
4.8.1.2	DATA REPORTED BY VOLUMETRIC (KWH) METERS	52
4.8.1.3	METER READING FOR THE PURPOSE OF A SELF-SELECTED SWITCH OR TO VERIFY ACCURACY OF METER READING	52
4.8.1.4	ESTIMATED USAGE	52
4.8.1.5	METER/BILLING DETERMINANT CHANGES	53

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8008

4.8.1.6	NOTICE OF PLANNED AND UNPLANNED INTERRUPTIONS TO MARKET COMMUNICATIONS AND DATA EXCHANGE.....	53
4.8.2	DATA FOR UNMETERED LOADS	54
4.8.3	ADJUSTMENTS TO PREVIOUSLY TRANSMITTED DATA.....	54
4.8.4	DATA EXCHANGE PROTOCOLS.....	55
4.9	DISPUTE RESOLUTION PROCEDURES.....	55
4.9.1	COMPLAINT PROCEDURES.....	55
4.9.2	COMPLAINT WITH REGULATORY AUTHORITY	56
4.10	SERVICE INQUIRIES	56
4.11	OUTAGE AND SERVICE REQUEST REPORTING.....	57
4.11.1	NOTIFICATION OF INTERRUPTIONS, IRREGULARITIES, AND SERVICE REQUESTS	57
4.11.2	RESPONSE TO REPORTS OF INTERRUPTIONS AND REPAIR REQUESTS.....	58
CHAPTER 5: SERVICE RULES AND REGULATIONS RELATING TO THE PROVISION OF DELIVERY SERVICE TO RETAIL CUSTOMERS.....		59
5.1	GENERAL.....	59
5.1.1	APPLICABILITY OF CHAPTER	59
5.1.2	COMPANY CONTACT INFORMATION	59
5.2	LIMITS ON LIABILITY.....	59
5.2.1	LIABILITY BETWEEN COMPANY AND RETAIL CUSTOMERS	59
5.2.2	LIMITATION OF DUTY AND LIABILITY OF COMPETITIVE RETAILER.....	60
5.2.3	DUTY TO AVOID OR MITIGATE DAMAGES.....	60
5.2.4	FORCE MAJEURE.....	60
5.2.5	EMERGENCIES AND NECESSARY INTERRUPTIONS	61
5.2.6	LIMITATION OF WARRANTIES BY COMPANY	61
5.3	SERVICE.....	61
5.3.1	INITIATION OF DELIVERY SYSTEM SERVICE (SERVICE CONNECTION)	62
5.3.1.1	INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED	62
5.3.1.2	INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE REQUIRED	62
5.3.2	REQUESTS FOR CONSTRUCTION SERVICES.....	63
5.3.3	CHANGING OF DESIGNATED COMPETITIVE RETAILER.....	63
5.3.4	SWITCHING FEES AND SWITCHOVERS	63
5.3.5	IDENTIFICATION OF THE PREMISES AND SELECTION OF RATE SCHEDULES	63
5.3.6	CHANGES IN RATE SCHEDULES.....	64
5.3.7	SUSPENSION OF SERVICE	65
5.3.7.1	SUSPENSIONS WITHOUT PRIOR NOTICE	65
5.3.7.2	NOTICED SUSPENSION NOT RELATED TO EMERGENCIES OR NECESSARY INTERRUPTIONS	65
5.3.7.3	RESTORATION OF SERVICE	66
5.3.7.4	PROHIBITED SUSPENSION OR DISCONNECTION.....	66
5.3.8	DISCONNECTION AND RECONNECTION OF SERVICE TO RETAIL CUSTOMER'S FACILITIES	67

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8008

5.4	ELECTRICAL INSTALLATION AND RESPONSIBILITIES.....	67
5.4.1	RETAIL CUSTOMER'S ELECTRICAL INSTALLATION AND ACCESS.....	67
5.4.2	INSPECTION AND APPROVAL OF RETAIL CUSTOMER'S ELECTRICAL INSTALLATION.....	68
5.4.3	LOCATION OF POINT OF DELIVERY AND RETAIL CUSTOMER'S ELECTRIC INSTALLATION.....	68
5.4.4	CONNECTION OF RETAIL CUSTOMER'S ELECTRICAL INSTALLATION TO COMPANY FACILITIES.....	69
5.4.5	PROVISIONS FOR COMPANY FACILITIES AND EQUIPMENT AND THE METER.....	69
5.4.6	RETAIL CUSTOMER'S DUTY REGARDING COMPANY'S FACILITIES ON RETAIL CUSTOMER'S PREMISES	69
5.4.7	UNAUTHORIZED USE OF DELIVERY SYSTEM.....	70
5.4.8	ACCESS TO RETAIL CUSTOMER'S PREMISES	70
5.5	RETAIL CUSTOMER'S ELECTRICAL LOAD	71
5.5.1	LOAD BALANCE	71
5.5.2	INTERMITTENT ELECTRICAL LOADS AND LIMITATIONS ON ADVERSE EFFECTS.....	71
5.5.3	EQUIPMENT SENSITIVE TO VOLTAGE AND WAVE FORMS	71
5.5.4	CHANGE IN RETAIL CUSTOMER'S ELECTRICAL LOAD	71
5.5.5	POWER FACTOR.....	72
5.5.6	TESTING OF RETAIL CUSTOMER EQUIPMENT.....	73
5.6	LIMITATIONS ON USE OF DISTRIBUTION SERVICE	73
5.6.1	INTRASTATE RETAIL DELIVERY SERVICE LIMITATIONS (FOR ERCOT UTILITIES)	73
5.6.2	PARALLEL OPERATION.....	73
5.7	FACILITIES EXTENSION POLICY	74
5.7.1	GENERAL	74
5.7.2	CONTRACTUAL ARRANGEMENTS	74
5.7.3	PROCESSING OF REQUESTS FOR CONSTRUCTION OF DELIVERY SYSTEM.....	75
5.7.4	ALLOWANCE FOR FACILITIES.....	75
5.7.5	NON-STANDARD FACILITIES.....	75
5.7.6	CUSTOMER REQUESTED FACILITY UPGRADES	76
5.7.7	TEMPORARY DELIVERY SYSTEM.....	76
5.7.8	REMOVAL AND RELOCATION OF COMPANY'S FACILITIES AND METERS.....	76
5.7.9	DISMANTLING OF COMPANY'S FACILITIES.....	76
5.8	BILLING AND REMITTANCE.....	77
5.8.1	BILLING OF DELIVERY CHARGES.....	77
5.8.2	BILLING TO RETAIL CUSTOMER BY COMPANY	77
5.9	DEFAULT AND REMEDIES ON DEFAULT	77
5.9.1	COMPANY REMEDIES ON DEFAULT BY COMPETITIVE RETAILER	77
5.10	METER.....	78
5.10.1	METERING PRACTICES.....	78
5.10.2	RETAIL CUSTOMER RESPONSIBILITY AND RIGHTS	78
5.10.2.1	REQUIREMENTS.....	78
5.10.3	METERING OF RETAIL CUSTOMER'S INSTALLATION IN MULTI-METERED BUILDINGS	79

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8008

5.10.4	LOCATION OF METER.....	79
5.10.5	NON-COMPANY OWNED METERS	80
5.11	RETAIL CUSTOMER INQUIRIES.....	81
5.11.1	SERVICE INQUIRIES	81
5.11.2	COMPLAINTS	82
5.11.3	BILLING INQUIRIES	82
5.12	OUTAGE REPORTING.....	82
5.12.1	NOTIFICATION OF INTERRUPTIONS, IRREGULARITIES, AND SERVICE REPAIR REQUESTS	82
5.12.2	RESPONSE TO REPORTS OF INTERRUPTIONS AND REPAIR REQUESTS.....	82
CHAPTER 6:	COMPANY SPECIFIC ITEMS	83
6.1	RATE SCHEDULES.....	83
6.1.1	DELIVERY SYSTEM CHARGES	83
6.1.1.1	CHARGES FOR TRANSMISSION AND DISTRIBUTION SYSTEM SERVICE.....	83
6.1.1.1.1	RESIDENTIAL SERVICE	83
6.1.1.1.2	SECONDARY SERVICE LESS THAN OR EQUAL TO 10 KVA	86
6.1.1.1.3	SECONDARY SERVICE GREATER THAN 10 KVA.....	89
6.1.1.1.4	PRIMARY SERVICE.....	93
6.1.1.1.5	TRANSMISSION SERVICE	97
6.1.1.1.6	LIGHTING SERVICES.....	102
6.1.1.2	SCHEDULE TC.....	112
6.1.1.2.5	SCHEDULE TC5 – TRANSITION CHARGES.....	187
6.1.1.5	CHARGES FOR NUCLEAR DECOMMISSIONING	216
6.1.1.5.1	RIDER NDC- NUCLEAR DECOMMISSIONING CHARGES.....	216
6.1.1.6	OTHER CHARGES.....	217
6.1.1.6.3	RIDER TCRF - TRANSMISSION COST RECOVERY FACTOR	217
6.1.1.6.4	RATE ESS - RETAIL ELECTRIC SERVICE SWITCHOVERS	220
6.1.1.6.5	RIDER CMC - COMPETITIVE METERING CREDIT	221
6.1.1.6.6	RIDER RCE - RATE CASE EXPENSES SURCHARGE	222
6.1.1.6.9	RIDER EECRF – ENERGY EFFICIENCY COST RECOVERY FACTOR.....	224
6.1.1.6.10	RIDER IRA – INFLATION REDUCTION ACT 2022	225
6.1.1.6.11	RIDER TC2 & TC3 REFUND – REFUND OF TRANSITION CHARGES	227
6.1.1.6.13	RIDER DCRF – DISTRIBUTION COST RECOVERY FACTOR	230
6.1.1.6.14	RIDER TEEEF – TEMPORARY EMERGENCY ELECTRIC ENERGY FACILITIES.....	234
6.1.2	DISCRETIONARY SERVICE CHARGES	236
6.1.2.1	UNIFORM DISCRETIONARY SERVICE CHARGES	236
6.1.2.1.1	UNIFORM DISCRETIONARY SERVICE CHARGES (PREMISES WITH A STANDARD METER).....	236

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8008

6.1.2.1.2	UNIFORM DISCRETIONARY SERVICE CHARGES (PREMISES WITH A NON-STANDARD METER OTHER THAN AN AMS-M METER, AND PREMISES WITH UNMETERED SERVICE)	247
6.1.2.1.3	UNIFORM DISCRETIONARY SERVICE CHARGES (PREMISES WITH AN AMS-M METER)	258
6.1.2.2	CONSTRUCTION SERVICES POLICY AND CHARGES	268
6.1.2.3	DISCRETIONARY CHARGES OTHER THAN CONSTRUCTION SERVICE CHARGES	286
6.1.2.3.1	ADDITIONAL DISCRETIONARY CHARGES	286
6.1.2.3.2	PUBLIC ACCESS TO ACCESSIBLE UTILITY INFORMATION - RATE AUL	291
6.1.2.3.3	PREMIUM SERVICE - RATE PS	294
6.1.2.3.4	ASSET USE SERVICE - RATE AUS	295
6.1.2.4	DISTRIBUTED GENERATION SERVICE - RATE DGS	296
6.2	COMPANY SPECIFIC TERMS & CONDITIONS	297
6.2.1	COMPANY SPECIFIC DEFINITIONS	297
6.2.2	STANDARD VOLTAGES	299
6.2.3	ADDITIONAL COMPANY SPECIFIC TERMS AND CONDITIONS	303
6.3	AGREEMENTS AND FORMS	305
6.3.1	FACILITIES EXTENSION AGREEMENTS	305
6.3.1.1	FACILITIES EXTENSION AGREEMENT FOR DISTRIBUTION VOLTAGE FACILITIES	305
6.3.1.2	FACILITIES EXTENSION AGREEMENT FOR TRANSMISSION VOLTAGE FACILITIES (RETAIL CUSTOMER OWNED SUBSTATION)	307
6.3.2	APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION	314
6.3.3	AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION	317
6.3.4	OTHER AGREEMENT FORMS	329
6.3.4.1	AGREEMENT FOR SUBTRACTIVE METERING - TRANSMISSION VOLTAGE	329
6.3.4.2	AGREEMENT FOR SUBTRACTIVE METERING - DISTRIBUTION VOLTAGE	332
6.3.4.3	AGREEMENT AND TERMS AND CONDITIONS FOR PULSE METERING EQUIPMENT INSTALLATION	335
6.3.4.4	AGREEMENT FOR METER OWNERSHIP AND/OR ACCESS FOR NON-COMPANY OWNED METERS	339
6.3.4.5	COMPETITIVE METERING LETTER OF AGENCY	346
6.3.4.6	PREMIUM SERVICE AGREEMENT	348
6.3.4.7	GENERAL PURPOSE CONSTRUCTION SERVICES AGREEMENT	354
	APPENDIX A	359
	AGREEMENT BETWEEN COMPANY AND COMPETITIVE RETAILER REGARDING TERMS AND CONDITIONS OF DELIVERY OF ELECTRIC POWER AND ENERGY (DELIVERY SERVICE AGREEMENT)	359

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

CHAPTER 6: COMPANY SPECIFIC ITEMS**6.1 RATE SCHEDULES****6.1.1 DELIVERY SYSTEM CHARGES****6.1.1.1 CHARGES FOR TRANSMISSION AND DISTRIBUTION SYSTEM SERVICE****6.1.1.1.1 RESIDENTIAL SERVICE****AVAILABILITY**

This schedule is available to Retail Customers requesting Delivery Service for Residential Purposes when such Delivery Service is to one Point of Delivery and measured through one Meter and, except as otherwise provided in this Rate Schedule, is not for shared or resale purposes.

MONTHLY RATE**I. Transmission and Distribution Charges:**

Customer Charge	\$2.16	per Retail Customer per Month
Metering Charge	\$2.77	per Meter per Month
Transmission System Charge	\$0.00	per kWh
Distribution System Charge	\$0.026100	per kWh

II. Transition Charge: See Schedule TC5

III. Nuclear Decommissioning Charge: See Rider NDC

IV. Transmission Cost Recovery Factor: See Rider TCRF

V. Other Charges or Credits:

A. Municipal Account Franchise Credit (see application and explanation below)	(\$0.001767)	per kWh
B. Rate Case Expenses Surcharge		See Rider RCE
C. Energy Efficiency Cost Recovery Factor		See Rider EECRF
D. Distribution Cost Recovery Factor		See Rider DCRF

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

E. Temporary Emergency Electric Energy
Facilities

See Rider TEEEF

F. Inflation Reduction Act 2022

See Rider IRA

TERMS OF SERVICE

Type of Service. The standard Delivery Service under this Rate Schedule will be single-phase, 60 hertz, at the Company's standard Secondary Distribution Voltage level for this type of service as described in Section 6.2.2 of this Tariff and in the Company's Service Standards. Three-phase service is generally not available for Residential Purposes. Retail Customers desiring three-phase service for Residential Purposes should check with a Company representative to determine if three-phase service is available. Facilities for three-phase service under this Rate Schedule are Non-Standard Facilities as defined in the Company's Construction Services Policy.

Metering Equipment. Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Residential Service to Multiple Dwellings. Where more than four Individual Private Dwellings in an apartment or other residential building are served through one Meter, billing will be under the applicable non-residential Rate Schedule.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh delivered within that municipality and who have signed an appropriate Franchise Agreement.

Reclassification for Non-Residential Purposes. If the Company determines that a significant portion of the Delivery Service provided under this Residential Service Rate Schedule is used for non-Residential Purposes, then the appropriate non-residential Rate Schedule shall be applicable to all the Delivery Service provided. However, if the Retail Customer's wiring is so arranged that the Delivery Service for Residential Purposes and for non-Residential Purposes can be metered

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

separately, this Residential Service Rate Schedule will remain applicable to the portion that is metered separately for Residential Purposes.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission's rules) may also be subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff, regarding the interconnection and parallel operation of distributed generation.

NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

6.1.1.1.2 SECONDARY SERVICE LESS THAN OR EQUAL TO 10 KVA**AVAILABILITY**

This schedule is available to Retail Customers requesting Delivery Service for non-Residential Purposes at Secondary Distribution Voltage levels with a peak demand less than or equal to 10 kVA when such Delivery Service is to one Point of Delivery and measured through one Meter and is not for shared or resale purposes. This schedule is also available to Retail Customers requesting Unmetered Services other than Lighting Services.

MONTHLY RATE**I. Transmission and Distribution Charges:**

Customer Charge	\$2.22	per Retail Customer per Month
Metering Charge	\$3.02	per Meter per Month
Transmission System Charge	\$0.00	per kWh
Distribution System Charge	\$0.016460	per kWh

II. Transition Charge: See Schedule TC5

III. Nuclear Decommissioning Charge: See Rider NDC

IV. Transmission Cost Recovery Factor: See Rider TCRF

V. Other Charges or Credits:

A. Municipal Account Franchise Credit (see application and explanation below)	(\$0.002023)	per kWh
B. Rate Case Expenses Surcharge		See Rider RCE
C. Energy Efficiency Cost Recovery Factor		See Rider EECRF
D. Distribution Cost Recovery Factor		See Rider DCRF
E. Temporary Emergency Electric Energy Facilities		See Rider TEEEF
F. Inflation Reduction Act 2022		See Rider IRA

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CNP 8037

TERMS OF SERVICE

Type of Service. The standard Delivery Service under this Rate Schedule will be single-phase, 60 hertz, at the Company's standard Secondary Distribution Voltage level for this type of service as described in Section 6.2.2 of this Tariff and in the Company's Service Standards. Facilities for three-phase service under this Rate Schedule are Non-Standard Facilities as defined in the Company's Construction Services Policy.

Metering Equipment. Except for Unmetered Service described below, Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Peak Demand Requirement. This Rate Schedule is applicable only to Retail Customers whose peak demand for the current month is 10 kVA or less, as measured in the Retail Customer's fifteen-minute period of highest demand, and whose peak demand has not exceeded 10 kVA in any of the previous eleven months. If, after taking Delivery Service under this Rate Schedule, Retail Customer's monthly peak demand is greater than 10 kVA, Retail Customer will be placed on the *Secondary Service Greater Than 10 kVA* Rate Schedule for a period of not less than twelve months.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh delivered within that municipality and who have signed an appropriate Franchise Agreement.

Unmetered Service. Unmetered Service is available under this Rate Schedule for non-residential, non-lighting Delivery Service at the discretion of the Company, Competitive Retailer, and Retail Customer, in limited situations when metering equipment is impractical or disproportionately expensive, and when the Retail Customer's electric load can be reasonably estimated or predicted from the nameplate or engineering studies of the installed equipment. Special protective devices may be required to be installed and/or paid for by customer. Provision of Unmetered Service under this Rate Schedule will require an agreement that includes certification by Retail Customer on at least an annual basis of the number of installed devices and specific location of each device. Company will calculate billing determinants for Unmetered Service based on a 100 percent load

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

factor. These billing determinants are applied to all charges included in this Rate Schedule, except that the “Metering Charge” contained in the monthly rate is not applicable to Unmetered Service under this Rate Schedule.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission’s rules) may also be subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff, regarding the interconnection and parallel operation of distributed generation.

NOTICE

This Rate Schedule is subject to the Company’s Tariff and Applicable Legal Authorities.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

6.1.1.1.3 SECONDARY SERVICE GREATER THAN 10 KVA**AVAILABILITY**

This schedule is available to Retail Customers requesting Delivery Service for non-Residential Purposes at Secondary Distribution Voltage levels with a peak demand greater than 10 kVA when such Delivery Service is to one Point of Delivery and measured through one Meter; except that, at Company's option, locations where the Retail Customer's Electrical Installation or Premises has multiple connections to Company's Delivery System, due to Company facility limitations or design criteria, may be considered one Point of Delivery for billing purposes.

MONTHLY RATE**I. Transmission and Distribution Charges:**

Customer Charge

Non-IDR Metered	\$3.23	per Retail Customer per Month
IDR or IDR Capable AMS Metered	\$40.50	per Retail Customer per Month

Metering Charge

Non-IDR Metered	\$9.56	per Meter per Month
IDR or IDR Capable AMS Metered	\$88.98	per Meter per Month

Transmission System Charge

Non-IDR Metered	\$0.00	per NCP kVA
IDR or IDR Capable AMS Metered	\$0.00	per 4CP kVA

Distribution System Charge	\$4.481790	per Billing kVA
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II. Transition Charge: See Schedule TC5

III. Nuclear Decommissioning Charge: See Rider NDC

IV. Transmission Cost Recovery Factor: See Rider TCRF

V. Competitive Metering Credit: See Rider CMC

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

VI. Other Charges or Credits:

A. Municipal Account Franchise Credit (see application and explanation below)	(\$0.644820)	per Billing kVA
B. Rate Case Expenses Surcharge		See Rider RCE
C. Energy Efficiency Cost Recovery Factor		See Rider EECRF
D. Distribution Cost Recovery Factor		See Rider DCRF
E. Temporary Emergency Electric Energy Facilities		See Rider TEEEF
F. Inflation Reduction Act 2022		See Rider IRA

TERMS OF SERVICE**DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES**

Application of IDR or IDR Capable AMS Metered Charges. The IDR or IDR Capable AMS Metered charges listed in the Monthly Rate section of this Rate Schedule are applicable to Retail Customers who have established an NCP demand greater than 700 kVA in any previous billing month, and to Retail Customers who were billed on a 4CP kVA basis prior to the effective date of this Rate Schedule, regardless of whether their Meter is an IDR, IDR Capable AMS Meter, a Standard Meter or other Meter.

Determination of NCP kVA. The NCP kVA applicable under the Monthly Rate section shall be the kVA supplied during the 15 minute period of maximum use during the billing month.

Determination of 4 CP kVA. The 4 CP kVA applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective with the February billing month of each year and remain fixed for a year. Retail Customer's previous metered usage under this or any other Rate Schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section. Retail Customers without previous history on which to determine their 4 CP kVA will be billed at the applicable NCP rate under the "Transmission System Charge" using the Retail Customer's NCP kVA.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

Determination of Billing kVA. The Billing kVA applicable to the Distribution System Charge shall be the NCP kVA for the current billing month.

OTHER PROVISIONS

Type of Service. The standard Delivery Service under this Rate Schedule will be single or three-phase, 60 hertz, at the Company's standard Secondary Distribution Voltage level for this type of service as described in Section 6.2.2 of this Tariff and in the Company's Service Standards.

Metering Equipment. Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Peak Demand Requirement. This Rate Schedule is applicable only to Retail Customers whose peak demand for the current month is greater than 10 kVA, as measured in the Retail Customer's fifteen-minute period of highest demand, or whose peak demand exceeded 10 kVA in any of the previous eleven months.

Temporary Service. This Rate Schedule is also applicable to Retail Customers who need Delivery Service at Secondary Distribution Voltage levels on a temporary basis for construction activities, for emergency shelters and temporary housing facilities managed by the Federal Emergency Management Agency or other state or federal agency after a natural or other disaster, and for other temporary facilities or purposes as determined by Company. The Company's construction of Delivery System facilities for the provision of such temporary Delivery Service is subject to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Sub-Metering. The Electric Power and Energy delivered may not be re-metered or sub-metered by the Retail Customer for resale except pursuant to lawful sub-metering regulations of Applicable Legal Authorities.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

fee upon the Company based on the Billing kVA within that municipality and who have signed an appropriate Franchise Agreement.

Adjustment To The Charges Applied To Retail Customer's Demand Measurement. If data to determine the Retail Customer's *Demand Measurement* becomes no longer available, the Company will determine a *Conversion Factor* which will be used as an adjustment to all per unit charges that will then be applied to the *New Demand Measurement*. *Demand Measurement* shall include the Billing kVA, the 4 CP kVA, NCP kVA or any other demand measurement required for billing under this Rate Schedule or any applicable rider(s) or any other applicable schedule(s). *New Demand Measurement* shall be the billing determinants which replace the *Demand Measurement*. The *Conversion Factor* will apply to unit prices per kVA such that when applied to the *New Demand Measurement*, the revenue derived by the Company under demand based charges shall be unaffected by such lack of data.

This adjustment may become necessary because of changes in metering capabilities, such as, Meters that record and /or measure kW with no ability to determine kVA or Meters which meter data in intervals other than 15 minutes. This adjustment also may become necessary due to changes in rules, laws, procedures or other directives which might dictate or recommend that Electric Power and Energy, electric power related transactions, wire charges, nonbypassable charges and/or other transactions measure demand in a way that is inconsistent with the definitions and procedures stated in the Company's Tariff. This adjustment is applicable not only in the instances enumerated above but also for any and all other changes in *Demand Measurement* which would prevent the Company from obtaining the necessary data to determine the kVA quantities defined in this Rate Schedule, applicable Riders and other applicable schedules.

The Conversion Factor shall render the Company revenue neutral to any change in *Demand Measurement* as described above.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission's rules) may also be subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff, regarding the interconnection and parallel operation of distributed generation.

NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

6.1.1.1.4 PRIMARY SERVICE**AVAILABILITY**

This schedule is available to Retail Customers requesting Delivery Service for non-Residential Purposes at Primary Distribution Voltage levels when such Delivery Service is to one Point of Delivery and measured through one Meter; except that, at Company's option, locations where the Retail Customer's Electrical Installation or Premises has multiple connections to Company's Delivery System, due to Company facility limitations or design criteria, may be considered one Point of Delivery for billing purposes; and provided, however, that Delivery Service under this schedule is available only to Retail Customers able to take Delivery Service directly from feeder lines of at least 12,470 volts but less than 60,000 volts.

MONTHLY RATE**I. Transmission and Distribution Charges:**

Customer Charge		
Non-IDR Metered	\$9.95	per Retail Customer per Month
IDR or IDR Capable AMS Metered	\$49.78	per Retail Customer per Month
Metering Charge		
Non-IDR Metered	\$368.50	per Meter per Month
IDR or IDR Capable AMS Metered	\$94.06	per Meter per Month
Transmission System Charge		
Non-IDR Metered	\$0.00	per NCP kVA
IDR or IDR Capable AMS Metered	\$0.00	per 4CP kVA
Distribution System Charge	\$3.271110	per Billing kVA

II. Transition Charge: See Schedule TC5

III. Nuclear Decommissioning Charge: See Rider NDC

IV. Transmission Cost Recovery Factor: See Rider TCRF

V. Competitive Metering Credit: See Rider CMC

VI. Other Charges or Credits:

A. Municipal Account Franchise Credit
(see application and explanation below) (\$0.631810) per Billing kVA

B. Rate Case Expenses Surcharge See Rider RCE

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

C. Energy Efficiency Cost Recovery Factor

See Rider EECRF

D. Distribution Cost Recovery Factor

See Rider DCRF

E. Temporary Emergency Electric Energy
Facilities

See Rider TEEEF

F. Inflation Reduction Act 2022

See Rider IRA

TERMS OF SERVICE

DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

Application of IDR or IDR Capable AMS Metered Charges. The IDR or IDR Capable AMS Metered charges listed in the Monthly Rate section of this Rate Schedule are applicable to Retail Customers who have established an NCP demand greater than 700 kVA in any previous billing month, and to Retail Customers who were billed on a 4CP kVA basis prior to the effective date of this Rate Schedule, regardless of whether their Meter is an IDR, IDR Capable AMS Meter, a Standard Meter or other Meter.

Determination of NCP kVA. The NCP kVA applicable under the Monthly Rate section shall be the kVA supplied during the 15-minute period of maximum use during the billing month.

Determination of 4 CP kVA. The 4 CP kVA applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective with the February billing month of each year and remain fixed for a year. Retail Customer's previous metered usage under this or any other Rate Schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section. Retail Customers without previous history on which to determine their 4 CP kVA will be billed at the applicable NCP rate under the "Transmission System Charge" using the Retail Customer's NCP kVA.

DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

Determination of Billing kVA. For loads whose maximum NCP kVA established in the 11 months preceding the current billing month is less than or equal to 20 kVA, the Billing kVA applicable to the Distribution System Charge shall be the NCP kVA for the current billing month. For all other loads, the Billing kVA applicable to the Distribution System Charge shall be the higher of the NCP kVA for the current billing month or 80% of the highest monthly NCP kVA established in the 11 months

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

preceding the current billing month (80% ratchet). The 80% ratchet shall not apply to seasonal agricultural Retail Customers.

OTHER PROVISIONS

Type of Service. The standard Delivery Service under this Rate Schedule will be single or three-phase, 60 hertz, at the Company's standard Primary Distribution Voltage levels described in Section 6.2.2 of this Tariff and in the Service Standards.

Metering Equipment. Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Temporary Service. This rate schedule is also applicable to Retail Customers who need Delivery Service at Primary Distribution Voltage levels on a temporary basis for construction activities, for emergency shelters and temporary housing facilities managed by the Federal Emergency Management Agency or other state or federal agency after a natural or other disaster, and for other temporary facilities or purposes as determined by Company. The Company's construction of Delivery System facilities for the provision of such temporary Delivery Service is subject to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Sub-Metering. The Electric Power and Energy delivered may not be re-metered or sub-metered by the Retail Customer for resale except pursuant to lawful sub-metering regulations of Applicable Legal Authorities.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the Billing kVA within that municipality and who have signed an appropriate Franchise Agreement.

Adjustment To The Charges Applied To Retail Customer's Demand Measurement. If data to determine the Retail Customer's *Demand Measurement* becomes no longer available, the Company will determine a *Conversion Factor* which will be used as an adjustment to all per unit charges that will then be applied to the *New Demand Measurement*. *Demand Measurement* shall include the Billing

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

kVA, the 4 CP kVA, NCP kVA or any other demand measurement required for billing under this Rate Schedule or any applicable Rider(s) or any other applicable schedule(s). *New Demand Measurement* shall be the billing determinants which replace the *Demand Measurement*. The *Conversion Factor* will apply to unit prices per kVA such that when applied to the *New Demand Measurement*, the revenue derived by the Company under demand based charges shall be unaffected by such lack of data.

This adjustment may become necessary because of changes in metering capabilities, such as, Meters that record and /or measure kW with no ability to determine kVA or Meters which meter data in intervals other than 15 minutes. This adjustment also may become necessary due to changes in rules, laws, procedures or other directives which might dictate or recommend that Electric Power and Energy, electric power related transactions, wire charges, nonbypassable charges and/or other transactions measure demand in a way that is inconsistent with the definitions and procedures stated in the Company's Tariff. This adjustment is applicable not only in the instances enumerated above but also for any and all other changes in *Demand Measurement* which would prevent the Company from obtaining the necessary data to determine the kVA quantities defined in this Rate Schedule, applicable Riders and other applicable schedules.

The Conversion Factor shall render the Company revenue neutral to any change in *Demand Measurement* as described above.

Metering Adjustment. The Company may at its option measure service on the secondary side of the Retail Customer's transformers in which event the kVA and kWh recorded by the Billing Meter will be adjusted to compensate for transformer losses as follows: (1) where the Retail Customer's installed substation capacity is 600 kVA or less, the kVA will be increased by 2% and the kWh will be increased by 3%; or (2) where the Retail Customer's installed substation capacity is in excess of 600 kVA, the kVA and kWh will be increased by proper respective adjustments based upon data furnished by the manufacturer. In the event the manufacturer is unable to supply the necessary data, the adjustment will be based on tests conducted on the Retail Customer's transformers by the Company.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission's rules) may also be subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff, regarding the interconnection and parallel operation of distributed generation.

NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

6.1.1.1.5 TRANSMISSION SERVICE**AVAILABILITY**

This schedule is available to Retail Customers requesting Delivery Service for non-Residential Purposes at Transmission Voltage levels when such Delivery Service is to one Point of Delivery and measured through one Meter, except that, at Company's option, locations where the Retail Customer's Electrical Installation or Premises has multiple connections to Company's Delivery System, due to Company facility limitations or design criteria, may be considered one Point of Delivery for billing purposes.

MONTHLY RATE**I. Transmission and Distribution Charges:**

Customer Charge	\$161.68	per Retail Customer per month
Metering Charge	\$615.98	per Meter per month
Transmission System Charge	\$0.00	per 4CP kVA
Distribution System Charge	\$0.567260	per 4CP kVA

II. Transition Charge: See Schedule TC5

III. Nuclear Decommissioning Charge: See Rider NDC

IV. Transmission Cost Recovery Factor: See Rider TCRF

V. Competitive Metering Credit: See Rider CMC

VI. Other Charges or Credits:

A. Municipal Account Franchise Credit
(see application and explanation below) (\$0.000649 per kWh

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

B. Rate Case Expenses Surcharge	See Rider RCE
C. Energy Efficiency Cost Recovery Factor	See Rider EECRF
D. Distribution Cost Recovery Factor	See Rider DCRF
E. Temporary Emergency Electric Energy Facilities	See Rider TEEEF
F. Inflation Reduction Act 2022	See Rider IRA
G. Customer Load Study Charge	See Terms of Service

TERMS OF SERVICE

DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES AND DISTRIBUTION SYSTEM CHARGES

Determination of NCP kVA. The NCP kVA applicable under the Monthly Rate section shall be the kVA supplied during the 15 minute period of maximum use during the billing month.

Determination Of 4 CP kVA. The 4 CP kVA applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15-minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective with the February billing month of each year and remain fixed for a year. Retail Customer's previous metered usage under this or any other rate schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section. Retail Customers without previous history on which to determine their 4 CP kVA will be billed based on estimated 4 CP kVA in accordance with the following procedures:

- (a) Retail Customers having IDR data for fewer than 4 CP kVA, but at least 2 CP kVA, will be billed based on the average of the actual CP kVA, so long as the CP kVA are representative of the Retail Customer's expected load, as derived from engineering estimates. If the CP kVA are not representative of the expected load, the estimated 4 CP kVA will be set based on mutual agreement between the Retail Customer and the Company.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

- (b) Retail Customers that do not have at least 2 CP kVA will be billed by estimating the Retail Customer's 4 CP kVA demand by applying a class coincidence factor to the Retail Customer's NCP kVA, using the formula:

$$\text{Estimated 4 CP kVA} = (\text{NCP kVA} * \text{TCCF})$$

Where:

NCP kVA is the highest 15-minute integrated demand of an individual Retail Customer served at transmission voltage during the month; and

TCCF is the transmission class coincidence factor for the months June, July, August, and September calculated from the Company's most recent general rate case proceeding using the following formula:

$$\text{TCCF} = \frac{\sum \text{Class CP}_1 \text{ kVA for June, July, August, September}}{\sum \text{Class NCP kVA for June, July, August, September}} = 0.873222$$

Where:

Class CP kVA is the transmission voltage rate class' 15-minute demand at the time of the ERCOT CP and Class NCP kVA is the transmission voltage class' maximum 15-minute demand during a month.

OTHER PROVISIONS

Type of Service. The standard Delivery Service under this Rate Schedule will be three-phase, 60 hertz, at the Company's standard Transmission Voltage levels described in Section 6.2.2 of this Tariff and in the Service Standards.

Metering Equipment. Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities. The Company may install remote metering equipment to obtain information with which to determine the amount of the monthly bill. Retail Customer may have metering instruments installed to check the service supplied under this Rate Schedule in accordance with the provisions of the Tariff.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

Customer Load Study Charge. Company may conduct a load study for Retail Customers requesting Delivery Service under this Rate Schedule for a new load or load addition of 10 MW or more, and Company will charge, and Retail Customer must pay, an additional charge of \$50,000.00 for the load study. The Company will waive this load study requirement and study fee for new loads and load additions of less than 10 MW, unless Company or ERCOT determines that a load study is required prior to connecting the new or additional load of less than 10 MW to the Transmission Voltage System. Additionally, if Company or ERCOT require a stability study to be performed, an additional charge of \$50,000.00 will be applied to Retail Customer, for a total of \$100,000.00.

Retail Customer Responsibilities. The Retail Customer shall own, operate, and maintain all facilities (except Company owned Billing Meter) necessary to receive three-phase, 60 hertz alternating current service at 60,000 volts or higher. Each Retail Customer served at Transmission Voltage shall comply with Company's operating requirements for transmission customers.

Sub-Metering. The Electric Power and Energy delivered under this Rate Schedule may not be re-metered or sub-metered by the Retail Customer for resale or sharing except pursuant to lawful sub-metering regulations of Applicable Legal Authorities.

On-Site Generation. If Retail Customer taking Delivery Service under this Rate Schedule has on-site electric generating capacity installed, additional contract arrangements may be required pursuant to section 5 of the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff if less than 10 MW or pursuant to ERCOT guidelines and procedures if 10 MW or greater.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh delivered within that municipality and who have signed an appropriate Franchise Agreement.

Adjustment To The Charges Applied To Retail Customer's Demand Measurement. If data to determine the Retail Customer's *Demand Measurement* becomes no longer available, the Company will determine a *Conversion Factor* which will be used as an adjustment to all per unit charges that will then be applied to the *New Demand Measurement*. *Demand Measurement* shall include the Billing kVA, the 4 CP kVA, NCP kVA or any other demand measurement required for billing under this rate schedule or any applicable rider(s) or any other applicable schedule(s). *New Demand Measurement* shall be the billing determinants which replace the *Demand Measurement*. The *Conversion Factor* will apply to unit prices per kVA such that when applied to the *New Demand Measurement*, the revenue derived by the Company under demand based charges shall be unaffected by such lack of data.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

This adjustment may become necessary because of changes in metering capabilities, such as, meters that record and /or measure kW with no ability to determine kVA or meters which meter data in intervals other than 15 minutes. This adjustment also may become necessary due to changes in rules, laws, procedures other directives which might dictate or recommend that electric power, electric power related transactions, wire charges, nonbypassable charges and/or other transactions measure demand in a way that is inconsistent with the definitions and procedures stated in the Company's Tariff. This adjustment is applicable not only in the instances enumerated above but also for any and all other changes in *Demand Measurement* which would prevent the Company from obtaining the necessary data to determine the kVA quantities defined in this rate schedule, applicable riders and other applicable schedules.

The Conversion Factor shall render the Company revenue neutral to any change in *Demand Measurement* as described above.

Metering Adjustment. The Company may at its option measure service on the low voltage side of the Retail Customer's transformers in which event the kVA and kWh recorded by the Billing Meter will be adjusted to compensate for transformer losses on the basis of data furnished by the manufacturer of the Retail Customer's transformers. When the manufacturer is unable to supply the necessary data the adjustment will be based on tests conducted by the Company on the Retail Customer's transformers.

NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

6.1.1.1.6 LIGHTING SERVICES

(Street Lighting and Miscellaneous Lighting Services)

STREET LIGHTING SERVICE**AVAILABILITY**

Street lighting service is available to cities, governmental agencies, real estate developers and other groups (herein referred to as Retail Customers) requesting the installation of Company-owned and maintained street lighting systems along public streets, roadways or other public access areas in accordance with Section 6.1.2.2, Construction Services, in this Tariff. Street lighting service is not applicable to privately-owned street lighting systems. Privately-owned street lighting systems may be eligible for Delivery Service under the Company's applicable rate schedule for Secondary or Primary Service.

TYPE OF SERVICE

Street lighting service consists of the installation of Company-owned street lights, fixtures, luminaires and lamps (collectively, Lamps) and (if requested by Retail Customer) ornamental standards along public streets, roadways or other public access areas in accordance with section 6 of the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff, as well as the delivery of Electric Power and Energy at Company's standard Secondary Distribution Voltages to, and the maintenance and replacement of, such installations pursuant to the rates set forth in this Rate Schedule. If ornamental standards are not requested by Retail Customer, the Lamp installations will be mounted on the Company's existing distribution poles, if available, and served by overhead conductors. The Company's standard Lamp type for all street lighting service installations and replacements is Light Emitting Diode (LED). A Retail Customer's request for a non-standard Lamp type will be subject to the availability of the Lamp type in Company's inventory. The Company is no longer Procuring non-standard Lamp types for its inventory.

Street lighting service will be provided at various voltages as determined by the Company. Delivery Service under this Rate Schedule is an Unmetered Service. Company will install, own and maintain the street lighting service installations provided hereunder. Company's street lighting service is built to NESC standards. At the request of Customer and at Company's discretion, Company may build to other standards, with Customer being responsible for any difference in cost. All street Lamps, including LED Lamps, will burn out and/or dim over time, and therefore the lumens delivered by a street Lamp will vary over time and will vary from Lamp to Lamp. Company will replace burned out street Lamps, and/or make maintenance repairs during regular working hours, at its own cost and expense and will generally have the lighting service restored within 72 hours after notification by the Retail Customer, but with no adjustment of payments hereunder due to outage or varying levels of lumens. Street Lamps furnished hereunder shall operate under normal conditions from approximately thirty minutes after sunset to

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

approximately thirty minutes before sunrise every night in the year and the assumed total time of operations will be approximately four thousand (4,000) hours each year for each light furnished.

MONTHLY RATE**I. Transmission and Distribution Charges**

The monthly charges listed in the table below cover the provision of Delivery Service to street lighting systems requested by Retail Customer and installed by Company pursuant to this Rate Schedule, including the maintenance but excluding the installation of those systems. Charges for the installation of street lighting systems are governed by the Construction Services Policy in Section 6.1.2.2 of this Tariff.

In addition to the following monthly charges per Lamp, an additional \$1.13 per month will be charged for each Lamp with a break-away base if requested by Retail Customer and installed by Company.

Initial Lumen	Lamp Type Watt (Bulb Only)	Schedule A*	Schedule B*	Schedule C*	Schedule D*	Schedule E*	Monthly KWH
Mercury Vapor							
22,600 Lumen	400	\$3.78	N.A.	N.A.	\$14.34	N.A.	150
7,800 Lumen	175	\$3.42	N.A.	N.A.	\$13.98	N.A.	69
4,200 Lumen	100	\$3.43	\$19.58	N.A.	\$13.99	N.A.	41
High Pressure Sodium Vapor							
50,000 Lumen	400	\$3.87	\$N.A.	N.A.	\$14.43	\$11.99	160
28,000 Lumen	250	\$3.77	\$19.91	11.14	\$14.32	\$11.89	106
15,000 Lumen	150	\$4.37	\$20.52	N.A.	\$14.93	\$12.49	58
9,500 Lumen	100	\$4.37	\$20.48	N.A.	\$14.93	\$12.49	38
6,000 Lumen	70	\$3.66	\$19.80	N.A.	\$14.22	N.A.	29
Metal Halide							
32,200 Lumen	400	\$3.79	N.A.	N.A.	\$18.15	\$14.59	159
19,475 Lumen	250	\$7.67	N.A.	N.A.	\$18.23	\$14.66	96

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

12,900 Lumen	175	N.A.	N.A.	N.A.	\$16.48	\$13.51	70
7,900 Lumen	100	\$5.66	N.A.	N.A.	\$16.22	\$13.25	40
Light Emitting Diode (LED)							
15,100 Lumen	116-180	\$5.25	N.A.	N.A.	\$15.81	\$13.52	53
10,850 Lumen	71-115	\$3.74	\$19.86	\$11.24	\$14.30	\$12.01	36
7,900 Lumen	46-70	\$3.71	\$19.85	\$11.24	\$14.27	\$11.98	28
4,800 Lumen	21-45	\$3.71	\$19.45	N.A.	\$14.27	\$11.98	15
2,000 Lumen	0-20	\$3.71	N.A.	N.A.	\$14.27	N.A.	8

*** DESCRIPTION OF LIGHTING CONFIGURATIONS**

- Schedule A -one or more Lamps mounted on existing distribution poles and served by overhead conductors.
- Schedule B -single Lamp mounted on ornamental standard and served by overhead conductors. Limited to existing installations.
- Schedule C -twin Lamps mounted on ornamental standard and served by overhead conductors. Limited to existing installations.
- Schedule D -single Lamp mounted on ornamental standard and served by underground conductors, or decorative residential street lights.
- Schedule E -twin Lamps mounted on ornamental standard and served by underground conductors.

II. Transition Charge: See Schedule TC5

III. Nuclear Decommissioning Charge: See Rider NDC

IV. Transmission Cost Recovery Factor: See Rider TCRF

V. Other Charges or Credits:

A. Municipal Account Franchise Credit (\$0.001585) per kWh
(see application and explanation below)

B. Rate Case Expenses Surcharge See Rider RCE

C. Energy Efficiency Cost Recovery Factor See Rider EECRF

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

D. Distribution Cost Recovery Factor	See Rider DCRF
E. Temporary Emergency Electric Energy Facilities	See Rider TEEEF
F. Inflation Reduction Act 2022	See Rider IRA

OTHER PROVISIONS

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh within that municipality and who have signed an appropriate Franchise Agreement.

LED Street Lamp Lumen Levels. By choosing an LED street lighting option, Retail Customer (1) acknowledges that there will be variances in lumen levels and energy consumption between individual LED Lamps and between an LED Lamp and the applicable lumen and watt levels for the Lamp set forth in the table above, and (2) agrees to not hold Company liable for any variations in LED Lamp performance.

The Initial Lumen and Watt levels shown in the table above for LED street lights reflect a target average lumen output and a target average wattage range and may not be representative of any particular LED Lamp.

The Monthly KWH level shown in the table above for LED street Lamps reflects a target average KWH level and may not be representative of any particular LED luminaire.

MISCELLANEOUS LIGHTING SERVICE

AVAILABILITY

Miscellaneous Lighting Service is available in areas designated by Company with suitable locations, where permission for installation has been granted by all affected parties, and where facilities of adequate capacity and suitable voltage are adjacent to the lighting fixture(s) to be served. All new fixtures installed by Company for the provision of Miscellaneous Lighting Service must be purchased from a third-party vendor and owned by the Retail Customer or the Retail

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

Customer's REP ("Customer Owned Installation" or "Customer Owned Fixture"). All Customer Owned Fixtures must be approved by Company prior to installation and must conform to one of the lamp types described in the table below, except that metal halide and mercury vapor fixtures will no longer be approved by Company for installation as Customer Owned Fixtures. Existing Company owned fixtures will continue to be owned by the Company ("Company Owned Installation" or "Company Owned Fixture"). Miscellaneous Lighting Service consists of the delivery of electric power and energy to, and the installation and maintenance of lighting fixtures, as described herein. Retail Customer's electric power and energy must be provided by the Retail Customer's REP in accordance with Applicable Legal Authorities and the Company's Tariff.

TYPE OF SERVICE

Miscellaneous Lighting Service is provided as an Unmetered Service at Company's standard secondary distribution voltages to Customer Owned and Company Owned Fixtures which operate automatically every night from dusk to dawn. The Company will install, make electrical connection(s), and maintain the lighting fixture(s), whether Customer Owned or Company Owned.

Charges for services shall commence on the date that the electrical connection is made.

MONTHLY RATE

I. Transmission and Distribution Charges

In addition to the installation charges described below for Customer Owned Fixtures, the following monthly charges apply to Miscellaneous Lighting Service.

- A. Only the T&D Charge below is applicable to Customer Owned Installations.
- B. The T&D Charge and the Fixture Charge below are applicable to Company Owned Installations. In addition to the T&D Charge and the Fixture Charge for each lamp type in the table below, an additional charge of \$2.80 per month is charged for a span of secondary which was installed exclusively for Miscellaneous Lighting Service and Retail Customer did not reimburse Company for construction cost (applies only to installations existing as of 1-1-2002).

<u>TYPE OF LAMP</u>	<u>T&D CHARGE</u>	<u>LUMEN RATING</u>	<u>TOTAL WATTAGE</u>	<u>FIXTURE CHARGE¹</u>	<u>MONTHLY KWH</u>
<u>Floodlighting/Directional Lighting</u>					
-					
High Pressure Sodium					
High Pressure Sodium (150 watts)	\$2.89	15,000	185	\$5.51	61

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

<u>TYPE OF LAMP</u>	<u>T&D CHARGE</u>	<u>LUMEN RATING</u>	<u>TOTAL WATTAGE</u>	<u>FIXTURE CHARGE¹</u>	<u>MONTHLY KWH</u>
High Pressure Sodium (250 watts)	\$3.18	28,000	315	\$6.00	105
High Pressure Sodium (400 watts)	\$3.46	50,000	475	\$6.48	158
High Pressure Sodium (1,000 watts)	\$3.78	140,000	1,100	N.A.	367
Light Emitting Diode (LED)					
Light Emitting Diode (40 watts)	\$0.66	4,800	40	\$1.26	14
LED Alternative For 150W High Pressure Sodium					
Light Emitting Diode (70 watts)	\$2.84	7,900	70	\$2.51	24
LED Alternative For 250W High Pressure Sodium					
Light Emitting Diode (100 watts)	\$2.90	11,300	100	\$2.56	33
LED Alternative For 400W High Pressure Sodium					
Light Emitting Diode (175 watts)	\$2.89	15,100	175	N.A.	58
LED Alternative For 1,000W High Pressure Sodium					
Metal Halide					
Metal Halide (175w) (no new installations)	\$5.11	12,900	210	N/A	70
Metal Halide (250w) (no new installations)	\$9.61	19,475	294	N/A	98
Metal Halide (400 w) (no new installations)	\$3.88	32,200	476	N/A	159
Metal Halide (1,000w) (no new installations)	\$7.33	104,500	1,100	N/A	367
Roadway/General Lighting					
High Pressure Sodium (150 watts)	\$2.36	15,000	185	\$4.34	61
Light Emitting Diode (95 watts)	\$2.36	7,900	95	\$4.34	32
LED Alternative For 150W High Pressure Sodium					
Guard Lighting					
High Pressure Sodium (100 watts)	\$1.80	9,500	120	\$3.38	40
Mercury Vapor (no new installations)	\$1.24	7,800	215	\$2.43	72
Light Emitting Diode (40 watts)	\$1.80	4,800	40	\$3.38	14
LED Alternative For 100W High Pressure Sodium					

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

¹ Applies only to Company Owned Fixtures that are Company-owned and installed prior to September 1, 2000.

II. Transition Charge:	See Schedule TC5
III. Nuclear Decommissioning Charge:	See Rider NDC
IV. Transmission Cost Recovery Factor:	See Rider TCRF
V. Other Charges or Credits:	
A. Municipal Account Franchise Credit (see application and explanation below)	(\$.002372) per kWh
B. Rate Case Expenses Surcharge	See Rider RCE
C. Energy Efficiency Cost Recovery Factor	See Rider EECRF
D. Distribution Cost Recovery Factor	See Rider DCRF
E. Temporary Emergency Electric Energy Facilities	See Rider TEEEF
F. Inflation Reduction Act 2022	See Rider IRA

OTHER PROVISIONS

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh within that municipality and who have signed an appropriate Franchise Agreement.

Acceptable Lamp Types for Installation. For Miscellaneous Lighting Service, the Company no longer installs Customer Owned Fixtures that use mercury vapor or metal halide lighting. Only

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

Customer Owned Fixtures using high pressure sodium or LED lighting are accepted by Company for installation. Existing mercury vapor and metal halide installations (whether Customer Owned Installations or Company Owned Installations) will be converted to the appropriate high pressure sodium or LED equivalent from time to time during the normal course of maintenance when individual lamps burn out. Mercury vapor Guard Lighting installations with 7,800 lumen lamps will be converted to 9,500 lumen high pressure sodium, at no up-front cost to the Retail Customer.

LED Lumen Levels. By choosing an LED miscellaneous lighting option, Retail Customer (1) acknowledges that there will be variances in lumen levels and energy consumption between individual LED lamps and between an LED Lamp and the applicable lumen and watt levels for the other lamp types set forth in the table above, and (2) agrees to not hold Company liable for any variations in LED Lamp performance.

INSTALLATION AND MAINTENANCE FOR CUSTOMER OWNED FIXTURES

Company will install and maintain the lighting fixture(s) served hereunder. For all Miscellaneous Lighting fixture installations except Guard Lighting fixtures, the Company will provide for each fixture the bulb and the photoelectric relay at the time of installation. Company will replace burned out lamps and make other maintenance repairs during Company's regular working hours at Company's expense, but with no adjustment of payments hereunder due to outage. Maintenance includes replacement of burned-out lamps (bulbs) and malfunctioning photoelectric relays.

Damages due to vandalism, storms, accidents or manufacturing defects are not included under maintenance. Generally, Company will make maintenance repairs under this tariff within 72 hours after notification by the Retail Customer or REP.

The Retail Customer will be charged a one-time fee per lighting fixture to cover the Company's standard installation as detailed below. Standard installation consists of installing the lighting fixture on an existing wooden distribution pole and connecting service supplied from an existing or new overhead secondary conductor on the pole as detailed below. Standard installations are made during normal Company business hours. The charges below include both the labor to install and eventually remove fixtures. Any additional construction and/or cost required to provide service will be at the Retail Customer's expense, for an additional charge. Any additional facilities so required will be owned, installed and maintained by the Company.

Retail Customer or REP must purchase/provide all lighting fixtures. Only un-metered lighting fixtures meeting Company Service Standards and specifications will be allowed under this tariff. The Retail Customer or REP will own the lighting fixture.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

CUSTOMER OWNED FIXTURES STANDARD INSTALLATION FEES	One Light per Pole	Two Lights per Pole	Three Lights per Pole
Flood Light			
High Pressure Sodium			
Installations without secondary			
150w, 250w, 400w	\$325	\$350	\$405
1000w	\$370	\$450	\$550
Installations with 150 feet of secondary			
150w, 250w, 400w	\$425	\$450	\$505
1000w	\$470	\$550	\$655
Light Emitting Diode			
Installations without secondary			
40w, 100w, 180w	\$325	\$350	\$405
	\$370	\$450	\$550
Installations with 150 feet of secondary			
40w, 100w, 180w	\$425	\$450	\$505
	\$470	\$550	\$655
Guard Light			
Installations without secondary			
100w HPS	\$325	N/A	N/A
Installations with secondary			
100w HPS	\$365	N/A	N/A
Installations without secondary			
100w LED	\$325	N/A	N/A
Installations with secondary			
100w LED	\$365	N/A	N/A
Roadway Light			
Installations without secondary			
150w HPS	\$335	N/A	N/A
Installations with secondary			
150w HPS	\$375	N/A	N/A
Installations without secondary			
95w LED	\$335	N/A	N/A
Installations with secondary			
150w HPS 95w LED	\$375	N/A	N/A

INSTALLATION AND MAINTENANCE FOR COMPANY OWNED FIXTURES

Company Owned Fixtures were installed by the Company before September 1, 2000. Company will replace burned out lamps and make other maintenance repairs during Company's regular working hours at Company's expense, but with no adjustment of payments hereunder due to outage. Maintenance includes replacement of burned-out lamps (bulbs) and malfunctioning photoelectric relays, and damages due to vandalism, storms, accidents or manufacturing defects.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8037

Generally, Company will make maintenance repairs under this tariff within 72 hours after notification by the Retail Customer or REP.

EXTRAORDINARY MAINTENANCE ACTIVITIES

For Customer Owned Fixtures, Company will charge Retail Customer an additional fee as detailed below for each occurrence of the extraordinary maintenance activities listed hereunder.

CUSTOMER OWNED FIXTURES EXTRAORDINARY MAINTENANCE FEE	
ACTIVITY	FEE
(1) Replace a vandalized shield (parts and labor)	\$125.00
(2) Make adjustments to the fixture (labor only)	\$125.00
(3) Replace a fixture (labor only)	\$125.00
(4) Relocate a fixture (labor only)	As Calculated

NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities

