



Filing Receipt

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Item Number - 24

Information and Instructions for Schedules and Workpapers

1. System Requirements

Due to the large file sizes, it is recommended that users have a least a 32-bit computer. Large files may take longer than normal time to open.

2. List of main RFP Schedule files, or “RFP Schedules”

The files listed below are the main spreadsheets used for the Affiliate Data, Cost of Service, and Rate Design. *These are Excel files.*

- a. Section II CEHE RFP Schedules
- b. Section II Schedule H
- c. Section II, III, IV Schedule I and J
- d. Section V CEHE RFP Schedules – V-K
- e. Section VI CEHE RFP Schedules – Schedule M

3. List of RFP Supporting Workpaper files (Linked to RFP Schedules)

The supporting files listed below are directly linked to the CEHE RFP Schedules. *These are Excel files.*

- a. CEHE RFP Workpapers B
- b. CEHE RFP Workpapers C
- c. CEHE RFP Workpapers D
- d. CEHE RFP Workpapers E
- e. CEHE RFP Workpapers E-3
- f. CEHE RFP Workpapers F&L
- g. CEHE RFP Workpapers Support
- h. CEHE RFP Workpapers TCOS Calculation

4. List of RFP Supporting Workpaper Files (Linked to Schedule H and Schedule I and J)

The supporting files listed below are directly linked to the CEHE Schedules H and Schedule I and J. *These are excel files.*

- a. H Schedule Workpaper
- b. WP - 2023 KWH by Rate Class_Franchise
- c. WP - AMS Transformer Percentage
- d. WP - Discretionary Services – Current and Proposed Calculations
- e. WP – Dist Cust Loads by Service Type 2023-08
- f. WP – Diversity Factor 2023-08
- g. WP – FERC 597
- h. WP – Misc Light 2023
- i. WP – Plant FERC Accts
- j. WP – Street Light 2023
- k. WP – Transformer Count for IDR
- l. WP – UF feeder and URD customers of pad mounted transformers 2023-08
- m. WP – Bad Debt by Rate Class (CONFIDENTIAL)
- n. WP – Confidential Report DSC Billings with GL Check Figure 012023-122023

5. Recommended opening order

To avoid linking problems, it is highly recommended that when opening the files that the following order is used. It is **not** recommended to select the "Update Link" button when the option is presented upon opening files.

- a. CEHE RFP Workpapers B
- b. CEHE RFP Workpapers E
- c. CEHE RFP Workpapers D
- d. CEHE RFP Workpapers C
- e. CEHE RFP Schedules
- f. H Schedule Workpapers
- g. CEHE Schedule H
- h. CEHE Schedule I and J
- i. WP – 2023 KWH by Rate Class_Franchise
- j. WP – Street Light 2023
- k. WP – Misc Light 2023

6. Specific Instructions - Hardcoded Numbers

Certain numbers must be hardcoded to avoid circular references or other linking problems. If numbers are modified the user must make sure the following cells are manually updated in this order.

1. In CEHE RFP Schedule.xlsx, worksheet "II-F-2", update FF# 8 OMAGXFP(565) "Total O&M and A&G, excluding Fuel & Purchased Power" by copying the numbers from Excel columns K through N and pasting as values in Column Nos. 1 through 4.
2. In CEHE RFP Schedule.xlsx, worksheet "II-F", update FF# 6 TOTREV "Total Revenue Requirement" by copying the numbers from Excel columns K through N and pasting as values in Column Nos. 1 through 4. Copy as many times as needed until values are zero in columns in Q through T. Other changes below may require this to be repeated.
3. In CEHE RFP Workpapers TCOS Calculation.xlsx, update cell D12 by copying the value from CEHE RFP Schedule.xlsx, worksheet "III-A-1", Column No. 4, Line No. 12 "TOTAL ADJUSTED REVENUE REQUIREMENT" (cell G25). Copy and paste as values into cell D12.
4. In CEHE RFP Workpapers.xlsx, worksheet "WP II-B-9", update cell C23 by copying the value from CEHE RFP Schedule.xlsx, worksheet "II-B", Column No. 3, Line No. 31 "Return on Rate Base" (cell F44). Copy and paste as values into cell C23.

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5. In CEHE RFP Workpapers.xlsx, worksheet "WP III-B-9", update cell C23 by copying the value from CEHE RFP Schedule.xlsx, worksheet "III-B", Column No. 3, Line No. 29 "Return on Rate Base" (cell F42). Copy and paste as values into cell C23.

Repeat all steps until values in CEHE RFP Schedule.xlsx, worksheet "II-F-2 #8 and #6 are zero.

7. CenterPoint Energy Houston Electric, LLC Contact

Questions can be directed to the Company's designated representatives referenced in its application in the Statement of Intent.

8. List of Supporting files (Not Linked to RFP Schedules)

The supporting files in the folders below are *not linked* to the RFP Schedules. They are additional information which support amounts sourced within the main RFP Schedules.

Supports CEHE RFP Workpapers:

- a. WP CEHE Wage Adjustment - Direct (confidential).xlsx
- b. WP Employee Expense Adj (voluminous).xlsx
- c. WP II-E-2 Property Tax (voluminous).xlsx
- d. WP II-F- Plant Functionalization (voluminous).xlsx

Supports CEHE RFP Schedules – V-K:

- a. Schedule V-K-9.1 – Corporate Services SKFs (confidential).xlsx
- b. Schedule V-K-9.2 – CERC SKFs.xlsx
- c. Schedule V-K-9.3 – Custome Ops SKFs.xlsx
- d. Schedule V-K-10.docx
- e. Schedule V-K-11.docx
- f. Schedule V-K-12.1 and V-K-12.2 (confidential).xlsx
- g. Workpaper V-K-1.xlsx
- h. Workpaper V-K-2.xlsx
- i. Workpaper V-K-6 Asset Pushdown.xlsx
- j. Workpaper V-K-6 Employee Expense (Voluminous).xlsx
- k. Workpaper V-K-6 Former CEO.xlsx
- l. Workpaper V-K-6 Pension.xlsx
- m. Workpaper V-K-6 Wage Adj.xlsx
- n. Workpaper V-K-8.xlsx
- o. Workpaper V-K-12.xlsx
- p. Workpaper V-K-14 Affiliate Payroll.xlsx

The following files are not convertible:

formatted.xlsx	CenterPoint Houston VI-M-1_M-2
sheet for confidential).xlsx	CenterPoint Houston VI-M-2.1.1 (slip
	CenterPoint Houston VI-M-2.1.xlsx
	CenterPoint Houston VI-M-2.2.xlsx
formatted.xlsx	CenterPoint Houston VI-M-3.1
formatted.xlsx	CenterPoint Houston VI-M-3.2
	CEHE RFP Schedules - V-K.xlsx
	Schedule V-K-9.2 - CERC SKFs.xlsx
SKFs.xlsx	Schedule V-K-9.3 - Customer Ops

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.

PUBLIC UTILITY COMMISSION OF TEXAS CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC DOCKET NUMBER 56211 TEST YEAR ENDING DECEMBER 31, 2023

Budgetary Planning

The current planning process at CenterPoint Energy, Inc. begins with a formal strategic planning process that provides for a formal annual review by all CenterPoint Energy, Inc. business units. As part of this process there are formal sessions in which the business units (or “Client Company”) meet with representatives of CenterPoint Energy Service Company, LLC (“CenterPoint Service Company”) to share relevant information that is used by the CenterPoint Service Company in developing the proposed annual budget. In addition to the formal meetings, there are ongoing meetings throughout the year between representatives of CenterPoint Service Company and the business units to discuss and identify any planned decreases or increases in business activities that may affect future resource planning.

The current budgeting process for CenterPoint Service Company requires each functional area to meet with the respective business unit to determine future service needs, which may include both ongoing operations and project activities or unique one-time activities. Based upon the information provided by the business units to CenterPoint Service Company representatives, a proposed budget is developed by each functional group within CenterPoint Service Company. Once initial budgets are defined, meetings are held with the president of each of the business units along with his/her financial director and any appropriate support personnel. Based on the discussions with the business units, adjustments are made to the respective CenterPoint Service Company budgets, which are then incorporated into the business units’ budgetary plans.

The next step in the annual planning process is a review of the proposed business plans and corresponding budgets by each of the CenterPoint Service Company’s functional areas and business units with the Executive Committee. Upon final adjustments to proposed business plans and budgets, a presentation is made to the CenterPoint Energy Board of Directors.

The final step in the planning process is to develop the Service Level Agreements (“SLA’s”) to reflect the agreed upon services, pricing and performance standards. The final SLA’s are then distributed to respective business unit finance directors to coordinate a final review and signature of the business unit president.

Monitoring of Costs and Management Reporting

During the year, performance review meetings are held where each business unit head presents to the senior management team a recap of current month and year to date financial performance. These reports include a specific section for the billings from CenterPoint Service Company and explanations for deviations. In addition to the business units, each of the functional unit leaders of CenterPoint Service Company provide a recap of their respective financial performance and billings to the business units.

The preparation of these monthly reports is coordinated by the financial director employed by each business unit and reporting to the respective president. Part of the preparation of these reports requires a detailed review of the billings received by the business unit from CenterPoint

Service Company to insure reasonableness and accuracy. Any discrepancies that are not evident in the billings are referred to the finance director for CenterPoint Service Company for further explanation.

Arms-Length Transactions

Each business unit has a finance director, reporting to the respective business unit president that is charged with overseeing that the services being provided by the service company are appropriately priced and periodic reviews of the billings are consistent with the annual SLA. To ensure the cost of services are competitive with the market, periodic reviews and assessments are performed through both benchmarking and outsourcing studies.

Cost Object Monitoring and Control

The CenterPoint Service Company Finance Organization is responsible for reviewing, monitoring, and maintaining the cost objects. The CenterPoint Service Company Finance Organization will also establish new cost objects. An annual review is required in addition to the day-to-day maintenance of the system. As part of the annual review, the CenterPoint Service Company Finance Organization monitors and close inactive cost objects.

Allocation Factors Update and Revisions

Allocation factors are based on cost drivers specifically applicable to the service provided. The CenterPoint Service Company Finance Organization has the primary responsibility for ensuring that allocation factors are correct, accurate and current. Allocation factors are updated annually, at year-end.

Allocation factors are evaluated quarterly to reflect year-to-date activity through that point in time. For example, allocation factors are evaluated after the first quarter reflecting year-to-date activity through the first quarter. These new factors will be applied to the next quarter if material variances from the prior evaluation period exist. This process is repeated at the end of the second and third quarters. The new allocation factors are applied as needed when material variances exist or until the next annual update occurs.

The CenterPoint Service Company Finance Organization is responsible for evaluating new allocation methodologies and the frequency of updates and revisions. Allocation factors in effect for 2023 are set forth on Schedule V-K9.1 through V-K-9.3.

Time Reporting

Certain CenterPoint Service Company employees keep time records supporting labor charged to separately identifiable goods and services performed for Client Companies. All time is entered into SAP either through an automated timekeeping system or through manual entry directly into SAP. Cost objects to which time entries relate are identified in the timekeeping system, and costs

associated with those time entries are charged to the appropriate cost objects through SAP billings.

Employees record time weekly in a minimum of 30-minute increments. Departments may elect to record employee's time in increments smaller than 30-minutes to meet special needs. The employee's immediate supervisor reviews and approves time reports. Department Time Coordinators review time entry monthly to insure 100% accountability and compliance.

Time records are maintained for at least six years.

Billing and Review

Monthly invoices are rendered by CenterPoint Service Company for services rendered. Invoices are, to the extent feasible, in the form of electronic reports in the SAP system. Charges are rendered during the first week of each month covering amounts incurred during the prior month. For most Client Companies, charges are invoiced through an SAP entry which journalizes the actual monthly charges on the customer's books on the first workday of the financial close. Charges are based on actual amounts incurred. If allocations are required, they are based on estimated values based on estimates in budget plans for the relevant values. Estimated amounts are adjusted on subsequent charges either in a subsequent month or at the end of the year. Payment is made by the Client Company by making remittance or by making (offsetting) accounting entries of the amount billed.

Management of each Client Company is responsible for reviewing invoices from CenterPoint Service Company to determine accuracy and appropriateness of charges.

CenterPoint Service Company's billing system will use 17 C.F.R. Section 256 et. al, the "Uniform System of Accounts for Mutual Service Companies", established by the Commission for holding company systems, as may be adjusted to use the FERC uniform system of accounts. ServiceCo will support its charges with reasonable documentation (which may be maintained in electronic form). Service Company will adjust charges as required to reflect the discovery of errors or omissions in the charges.

Dispute Resolution Procedure

From time to time, disputes may arise regarding the services and products provided by CenterPoint Service Company. The employees of the Client Company and the employees of CenterPoint Service Company are encouraged to resolve those disputes on an informal basis in as timely a manner as possible, and the CenterPoint Service Company agrees, upon reasonable request, to provide access to relevant books and records. However, if during the year a dispute arises as to the scope of any service or the nature of any product, the delivery terms, the related performance metrics and standards, or the price for any service or product which cannot be resolved on an informal basis, the Client Company and CenterPoint Service Company will resolve the dispute using the following procedures:

A. A supervisor or manager of the Client Company who is responsible for the use of the service or the consumption of the product about which there is a dispute will notify in writing, or by email, a supervisor or manager of CenterPoint Service Company who is responsible for providing the service or product of the nature of the dispute, including specific examples of problems or failures which gave rise to the dispute. The supervisor or manager of the Client Company shall also present a proposed resolution of the dispute and propose a date and time for a meeting to resolve the dispute. The supervisor or manager of CenterPoint Service Company shall acknowledge in writing, or by email, his or her receipt of the notice of the dispute and agree to the meeting, suggest an alternative date and time for the meeting proposed by the supervisor or manager of the Client Company, or contact the supervisor or manager of the Client Company to schedule a meeting date and time that the two may agree upon.

B. The supervisor or manager of the Client Company and the supervisor or manager of CenterPoint Service Company may meet as often as both agree is necessary to resolve the complaint, and their meeting or meetings may include such other employees as may be helpful in resolving the dispute. If after such meeting or meetings, but in no event later than thirty days after the initial notice of the dispute was given, the supervisor or manager of the Client Company and the supervisor or manager of CenterPoint Service Company are unable to resolve the dispute, the dispute shall be referred to the appropriate executive of the Client Company and an executive of CenterPoint Service Company for resolution.

C. The executive of the Client Company and the executive of CenterPoint Service Company shall meet at a date and time or dates and times they mutually agree upon. Such meetings or meetings may include any employees either executive believes will be helpful in resolving the dispute. If, after such meeting or meetings, the executive of the Client Company and the executive of CenterPoint Service Company reasonably believe they cannot resolve the dispute, the dispute shall be referred to the most senior executives of the Client Company and of CenterPoint Service Company for resolution in accordance with whatever procedures senior management may establish.

Internal Audit Control

Internal Audit, under the direction of the Vice President of Audit Services, conducts periodic reviews of CenterPoint Service Company's business processes and systems to ensure that the services provided are properly documented and charged to the Client Companies on an appropriate basis. Reviews are performed such that all major service areas are evaluated over time. Internal Audit also conducts reviews of transactions and cost object charge methods to assess whether they comply with SEC requirements.

Internal Audit maintains an independent role and has direct contact to CenterPoint Energy's Audit Committee. Audit findings, recommendations, and progress toward resolution of findings are reported to the Audit Committee and Senior Management as appropriate.

Procedure for Calculating and Updating Statistical Key Figures (SKFs) for CNP Service Company (0002)

Purpose

The purpose of this procedure is to define the various SKFs used to allocate costs from selected CNP Service Company cost centers, to describe the process to calculate the SKFs on a quarterly basis and annual basis for the one and five-year plans, and finally to describe the process for uploading the SKFs into SAP.

SKF Definitions

In general, SKFs are used to allocate costs from certain CNP Service Company cost centers to the following:

- 1) CenterPoint Energy Houston Electric
- 2) Entex
- 3) CNP Intrastate Pipelines
- 4) Minnesota Gas
- 5) Indiana Gas Company, Inc.
- 6) Southern Indiana Gas and Electric Company
- 7) Vectren Energy Delivery of Ohio, Inc.
- 8) Vectren Utility Holdings, Inc.
- 9) Energy Systems Group, LLC
- 10) CNP Properties
- 11) CNP Holding Company
- 12) CNP Home Service Plus, LLC
- 13) CNP Service Company Functional Areas

There are several SKFs which are used for different purposes, as follows:

- 1) Composite Ratio (COMP) – As its name implies, this SKF is a composite of the weighting of three different ratios (Assets – 40%, Gross Margin – 40%, and Active Employee Headcount – 20%). This SKF is used to allocate those cost centers which have both an internal and an external stakeholder focus to the Business Units. This SKF allocates to Business Units 1-12 above.
- 2) Composite Ratio A (COMPA) – This is similar to the COMP SKF except that it is only based on the weighting of the ratios as they apply to the regulated Business Units above. This SKF is used to allocate certain Regulated Operations cost centers to these Regulated Operations Business Units.
- 3) Assets (ASSETS) – This SKF is used to allocate to the Business Units cost centers which are primarily focused on external stakeholders. This SKF allocates to Business Units 1-12 above. SKFs ASSETA, ASSETD, and ASSETE are similar to ASSETS in that they also allocate to all Business Units 1-10, however, they are used by different functional areas.
- 4) ASSETF is similar to ASSETS, except that it only allocates to the CenterPoint Energy Resources Corp (CERC) Business Units. It is used to allocate certain legacy CERC Officer and Director costs.

- 5) Operating Expenses (OPEX) – The Operating Expense SKF is used to allocate to the Business Units cost centers (other than those supporting employees) which are primarily focused on internal stakeholders. This SKF allocates to Business Units 1-12 above.
- 6) OPEXB is similar to OPEX, except that it only allocates to the CenterPoint Energy Resources Corp (CERC) Business Units above. It is used to allocate certain legacy CERC Officer and Director costs.
- 7) OPEXD is similar to OPEX, except that it only allocates to the Regulated Operations Business Units above. This SKF is used to allocate certain Regulated Operations cost centers to these Regulated Operations Business Units.
- 8) OPEXE is similar to OPEX, except that it only allocates to the Gas Operations Business Units above. This SKF is used to allocate certain Regulated Operations Gas Management cost centers to these Regulated Gas Business Units.
- 9) Headcount (HEADA) – The Headcount SKF is used to allocate cost centers which support employees (HR, Payroll and certain Communications costs). HEADA includes Active Employees and Retirees and is allocated to Business Units 1-12 above plus Finance, Information Technology and Business Support Services.
- 10) HEADB is allocated to the same Business Units and Functional Areas as HEADA but does not include Retirees.
- 11) HEADE is allocated to the same Business Units and Functional Areas as HEADA but includes Inactive Employees.
- 12) HEADU is the Union Headcount.
- 13) HEADW is the Wellness Headcount and includes the employees in Business Units 1-12 above located in CenterPoint Energy Tower (CNP-T) plus the employees for the Service Company Areas located in CNP-T
- 14) HEADHA is the Houston Area Headcount.

Information Required for Calculating SKFs

Since the Plan SKF calculation builds off either the 2nd or 3rd quarter calculations, the first information that will be needed is for the quarterly calculations.

Quarterly SKF Calculations

SKFs are evaluated three times per year: In April, which includes actual through March and provides SKFs that are used April through June; in July, which includes actual through June and provides SKFs that are used July through September; and in October, which includes actual through September and provides SKFs that are used October through December. When material variances from the prior quarter are noted, the SKF is updated. If no material variances from the prior quarter are noted, the existing SKF will continue to be used.

There are five main categories of data that are required:

- Financial Data Actual – This includes Quarterly Income Statements and prior 12-month Average Balance Sheets for the Business Units
- Financial Data Plan – This includes monthly Income Statements by Business Unit for remainder of current year
- Headcount Data – This includes Active Employees, Retirees, Inactive Employees, Union Employees and Wellness Employees (those located in CNP-T)
- Regulated Asset Data
- Call Center Call Volume percentage split

The sources for each of these categories of data are:

- Financial Data Actual and Plan – Financial Planning and Analysis
- Headcount Data – HR Information Systems
- Regulated Asset Data – Financial Accounting
- Call Center Call Volume percentage split – Customer Operations Reporting

Financial Data

A sample of the Quarterly Income Statements and prior 12-month Average Balance Sheets is included in the Business Services Team Goals folder.

The spreadsheet in which the SKF calculations are performed is designed to contain all documentation used in the calculations. To accommodate that, there are tabs in the spreadsheet where the Income Statements and Balance Sheets are copied. These are labeled "Company XX Avg BS" and "Business Unit QTD IS". In addition, there are tabs where these numbers are entered for either the Asset calculation (Balance Sheet data) or Gross Margin and Opex calculation (Income Statement data). These are labeled "Business Unit bal sht" and "Business Unit inc stmt". From these tabs, the calculated data will flow to the appropriate summary tabs.

The Income Statement data will only provide the prior 3 months of actual data. For updates during the year, sufficient plan data is required to have a complete calendar year. A sample of the data is included in the Business Services Team Goals folder

The data is copied onto tab "XXX-Dec Plan Data". From there it flows to the business unit income statement tabs to provide a complete 12 months of Gross Margin and Operating Expense data.

Headcount Data

The Headcount Data will be provided in detail (with employee name, number, cost center and organizational unit) in the categories shown above sorted by company code. This is copied into the spreadsheet on the appropriate tab. The active and retiree details for Company 0002 are also copied onto separate tabs on which they will be assigned to a Functional Area based on the cost center and/or organizational unit. This Company 0002 breakdown is required as some cost centers are allocated to specific Company 0002 functions based on headcount. The headcounts for the business units and functional areas will flow from these tabs to the appropriate cell on the Headcount tab.

Regulated Asset Data

The TDU Regulated Asset is added to the CEHE Balance Sheet as part of the calculation of CEHE Assets. This information from Electric Financial Accounting is entered on the "Reg Asset Source" tab in the SKF spreadsheet. It is also entered on the "Reg Asset" tab, which is used to classify the Regulated Assets by Company with the portion classified as Company 0003 being added to the CEHE Balance Sheet.

Plan SKF Calculations

Typically, plan SKFs are run twice during the planning process. The first time is during the 3rd quarter and uses plan SKFs from the prior year plan; while the 2nd time is in the 4th quarter and builds off the 3rd quarter calculations. The asset amounts reflected in the 3rd quarter calculations form a starting point for the plan asset amounts.

For the Plan SKF calculations, the following data will be required:

- Financial Data Plan:
 - o Operating Income Forecast calculations by business unit for remainder of current year
 - o Operating Income Plan calculations by business unit by year for the plan period
 - o Capital Expenditure and Depreciation & Amortization Forecasts by business unit for remainder of current year
 - o Capital Expenditure and Depreciation & Amortization Plans by business unit by year for the plan period

Calculating each SKF

As indicated above, there are four primary categories of SKFs (with variations within these categories), as follows:

- Assets
- Operating Expense
- Headcount
- Composite Ratio (Requires Gross Margin)

The following provides information on how each of these are calculated in the SKF spreadsheet.

Assets

The specific steps followed in calculating the Asset SKF are shown below:

Step	Action
Quarterly Updates	
1	Request the business units' 12-month rolling average balance sheets from the Corporate Accounting group
2	Copy these onto the appropriate tab in the SKF calculation spreadsheet: "Company XX Avg BS". This provides for documentation of the data source within the spreadsheet.
3	Enter these numbers on the Asset calculation tabs. These are labeled "Business Unit bal sht".
4	<p>Once this data has been entered on the appropriate tabs, the Asset SKF will be calculated at the bottom of the tabs, as follows:</p> <p style="margin-left: 40px;">Total Assets Plus TDU Reg Asset including liability (net) Less Investments in Subsidiaries Less Reg Asset Less Goodwill Less Gas Payables</p>

	<p>Less ST Non-trading derivative Less LT Non-trading derivative Less LT Regulatory Liability (Net reg) Less Current Regulatory Liability (Net reg) Plus Current FIT payable (reclass) (1) Plus Deferred FIT payable (reclass) (1) Plus LT FIT payable (reclass) (1) Plus Cur state income tax payable (reclass) (1) Plus Def state inc tax payable (reclass) (1) Plus LT deferred state inc tax liab (reclass) (1)</p> <p>Asset SKF</p> <p>(1) These reclassifications are only made if the current, deferred, or long FIT or SIT payable balance is negative (an asset)</p>
5	The first line item being added above, TDU Reg Asset including liability (net), represents the TDU portion of Regulated Assets. Regulated Asset Data is requested from Electric Financial Accounting. Once this information has been received, it is entered on the "Reg Asset Source" tab in the SKF spreadsheet. It is also entered on the "Reg Asset" tab, which is used to classify the Regulated Assets by Company with the 12-month average for the portion classified as Company 0003 being added to the CEHE Balance Sheet as shown above.
6	The Assets calculated on the "bal sht" tabs flows to the Asset Calc tab where it is used for the various Assets SKF calculations.
7	Input resulting Asset SKFs by business unit into SAP (see input instructions below)
Plan	
8	The initial plan SKF figures used are typically based on the final SKF calculations from the prior year plan. The first time new plan SKFs are calculated is typically after the 3 rd quarter update has been completed and is based on that 3 rd quarter update.
9	The plan Operating Income, and Capital Expenditure and Depreciation & Amortization is copied onto the "20XX-20XX Plan Data" tab.
10	The Assets for each year are developed by SBU starting with the 12-month average Assets that flowed to the Asset Calc tab as described in number 6 above.
11	<p>To develop the Assets for each year of the plan, the following process is followed:</p> <p>September Assets</p> <p>Plus: 4th Quarter of Current Year Capital Expenditures (from "20XX-20XX Plan Data" tab)</p> <p>Less: 4th Quarter of CY Depreciation & Amortization (from "20XX-20XX Plan Data" tab)</p> <p>Plus: Plan 1st Year Capital Expenditures (from "20XX-20XX Plan Data" tab)</p> <p>Less: Plan 1st Year Depreciation & Amortization (from "20XX-20XX Plan Data" tab)</p> <p>Equals: Plan 1st Year Assets</p>

	Plus: Plan 2 nd Year Capital Expenditures (from "20XX-20XX Plan Data" tab)
	Less: Plan 2 nd Year Depreciation & Amortization (from "20XX-20XX Plan Data" tab)
	Equals: Plan 2 nd Year Assets
	This process continues for the five-year plan period
12	Input resulting Asset SKFs by business unit into SAP (see input instructions below)

Operating Expense

The specific steps followed in calculating the Operating Expense (OpEx) SKF are shown below:

Step	Action
Quarterly Updates	
1	Request the business units' prior quarter Income Statements from the Corporate Accounting group
2	Copy these onto the appropriate tab in the SKF calculation spreadsheet: ""Business Unit QTD IS". This provides for documentation of the data source within the spreadsheet.
3	Enter these numbers on the business unit Income Statement tabs. These are labeled "Business Unit inc stmt".
4	Request the monthly Income Statements by Business Unit for remainder of current year.
5	Copy this onto the tab "XXX-Dec Plan Data". This provides for documentation of the data source within the spreadsheet.
6	Make sure the data flows from this tab to the appropriate "Business Unit inc stmt" tabs.
7	Once this data has been entered on the appropriate tabs, the Opex SKF will be calculated at the bottom of the tabs, as follows: Total Operating Expenses Less: Natural Gas and Fuel Less: IC Natural Gas & Fuel Equals Operating Expense SKF Note: Because actual Income Statement data is provided in whole dollars, the Operating Expense SKF calculated using actual data is divided by 1,000,000 to be consistent with the plan data used for the remainder of the current year.
8	The OpEx calculated on the "inc stmt" tabs flows to the OpEx Calc tab where it is used for the various OpEx SKF calculations.
9	Input resulting OpEx SKFs by business unit into SAP (see input instructions below)
Plan	
10	The initial Plan SKF figures used are typically based on the final SKF calculations from the prior year plan. The first time new Plan SKFs are calculated is typically after the 3 rd quarter update has been completed and is based on that 3 rd quarter update.
11	The plan Operating Income, and Capital Expenditure and Depreciation & Amortization is copied onto the "20XX-20XX Plan Data" tab.

12	The Operating Expense figures provided for number 11 above already have Natural Gas and Fuel subtracted and are, therefore, ready to include as is.
13	Make sure the data flows from this tab to the appropriate "Business Unit inc stmt" tabs.
14	The OpEx calculated on the "inc stmt" tabs flows to the OpEx Calc tab where it is used for the various OpEx SKF calculations.
15	Input resulting OpEx SKFs by business unit into SAP (see input instructions below)

Headcount

The specific steps followed in calculating the Headcount SKF are shown below:

Step	Action
Quarterly Updates	
1	Request Headcount Data, including Active Employees, Retirees, Inactive Employees, Union Employees and Wellness Employees (those located in CNP-T) from HR Information Technology
2	Copy this onto the appropriate Headcount tab in the SKF calculation spreadsheet. This provides for documentation of the data source within the spreadsheet.
3	The active and retiree details for Company 0002 are also copied onto separate tabs on which they will be assigned to a Functional Area based on the cost center and/or organizational unit. This Company 0002 breakdown is required as some cost centers are allocated to specific Company 0002 functions based on headcount.
4	The headcount data entered on the various headcount tabs will ultimately flow to the Headcount Calc tab and be used for the various Headcount SKFs.
5	Request the Call Center Call Volume percentage split – (Coordinator Network Ctrl- Reg Ops Call Ctr Operations).
6	The Call Center Call Volume percentage split data is entered on the "Call Center Headcount" and the source and date indicated for documentation purposes. This is used to allocate the call center cost centers to the Regulated Operations business units being served for purposes of allocating cost centers which are allocated based on headcount.
7	The sequence of Headcount SKF calculations is as follows: <ul style="list-style-type: none"> 1) HEADB – Active Employees for Business Units and for Information Technology, Business Support Services and Finance. Regulated Operations Business Units include the allocation of the Call Center Headcount as described in 6 above 2) HEADA – HEADB plus Retirees. Company 0016 Retirees are allocated to CERC Business Units based on the combination of Active and Retired employees for those CERC Business Units. 3) HEADE – HEADA plus Inactive Employees. 4) HEADU – Union Headcount as provided by HR. 5) HEADW – Headcount located in CenterPoint Energy Tower (CNP-T) as provided by HR. 6) HEAHA-Houston area headcount provided by HR.
8	Input resulting Headcount SKFs by business unit into SAP (see input instructions below)
Plan	
9	The initial Plan SKF figures used are typically based on the final SKF calculations from the prior year 5-Year Plan. The first time new Plan SKFs are calculated is typically after the 3 rd quarter update has been completed and uses actual September 30 Headcount based on that 3 rd quarter update.

Composite Ratio

The Composite Ratio is comprised of the following components and weightings:

- Gross Margin 40%
- Assets 40%
- HEADA 20%

The specific steps followed in calculating the Composite Ratio SKF are shown below:

Step	Action
Quarterly Updates	
The steps for calculating Assets and HEADA have been described above. Steps 1-7 outline the steps for calculating Quarterly Update Gross Margin, while steps 8 and 9 address the Composite Ratio.	
1	Request the business units' prior quarter Income Statements from the Corporate Accounting group
2	Copy these onto the appropriate tab in the SKF calculation spreadsheet: ""Business Unit QTD IS". This provides for documentation of the data source within the spreadsheet.
3	Enter these numbers on the business unit Income Statement tabs. These are labeled "Business Unit inc stmt".
4	Request the monthly Income Statements by Business Unit for remainder of current year.
5	Copy this onto the tab "XXX-Dec Plan Data". This provides for documentation of the data source within the spreadsheet.
6	Make sure the data flows from this tab to the appropriate "Business Unit inc stmt" tabs.
7	<p>Once this data has been entered on the appropriate tabs, Gross Margin will be calculated at the bottom of the tabs, as follows:</p> <p>Total Revenues</p> <p>Less: Natural Gas and Fuel</p> <p>Less: IC Natural Gas & Fuel</p> <p>Equals Gross Margin</p> <p>Note: Because actual Income Statement data is provided in whole dollars, the Gross Margin calculated using actual data is divided by 1,000,000 to be consistent with the plan data used for the remainder of the current year.</p>
8	The Gross Margin calculated on the "inc stmt" tabs flows to the Composite Calc tab where it is used for the various Composite SKF calculations.
9	Input resulting Composite Ratio SKFs by business unit into SAP (see input instructions below)
Plan	
The steps for calculating Assets and HEADA have been described above. Steps 10-xx outline the steps for calculating Plan Gross Margin, while steps 8 and 9 address the Composite Ratio.	
10	The initial Plan SKF figures used are typically based on the final SKF calculations from the prior year plan. The first time new plan SKFs are calculated is typically after the 3 rd quarter update has been completed and is based on that 3 rd quarter update.

11	The plan Operating Income, and Capital Expenditure and Depreciation & Amortization received from Ryan Harper (Financial Analyst IV-Corp Fin Plng & Perf) is copied onto the "20XX-20XX Plan Data" tab.
12	The Gross Margin figures provided for number 11 above already have Natural Gas and Fuel subtracted and are, therefore, ready to include as is.
13	Make sure the data flows from this tab to the appropriate "Business Unit inc stmt" tabs.
14	The Gross Margin calculated on the "inc stmt" tabs flows to the Composite calc tab where it is used for the various Composite Ratio SKF calculations.
15	Input resulting Composite Ratio SKFs by business unit into SAP (see input instructions below)

Uploading SKFs into SAP

The following steps outline the process for uploading SKFs into SAP

Monthly input of Quarterly Update SKFs	
1	There are Excel upload templates to load actual SKFs to SAP located in the Company's FP&A folders
2	This should be populated with the following: <ul style="list-style-type: none"> - Employee ID - Date (last day of the month) - Document header text (Month SKF Year) - Final Settlement Cost Center - SKF Name - SKF Value - Line item text (SBU or Business Services function)
3	In the Security Warning area click on Options, select Enable this content and click OK.
4	Make sure this is the only Excel file open.
5	Press Control-R to begin upload
6	Log into SAP when prompted. Click on system and choose a production SAP system and login.
7	Check for error messages.
8	Run the 1KMA report in SAP and confirm the figures loaded match the ones calculated.
9	If errors need to be corrected, the SKFs which are in error need to be reversed first and then the new SKFs loaded. Failure to do this will result in adding the new SKFs to the SKFs that were in error.
Plan input of SKFs	
10	There are Excel upload templates to load plan SKFs to SAP located in the Company's FP&A folders
11	This should be populated with the following: <ul style="list-style-type: none"> - Version (A00) - Year (5 years are loaded by year)

	<ul style="list-style-type: none"> - SKF Name - Final Settlement Cost Center - Jan-Dec SKF Value for the year
12	In the Security Warning area click on Options, select Enable this content and click OK.
13	Make sure this is the only Excel file open.
14	Press Control-R to begin upload
15	Log into SAP when prompted. Click on system and choose a production SAP system and login.
16	Check for error messages.
17	Run the 1KMA report in SAP and confirm the figures loaded match the ones calculated.
18	If errors need to be corrected, the correct amount can just be loaded and it will replace the incorrect amount.
Forecast input of SKFs	
10	There are Excel upload templates to load plan SKFs to SAP located in the Company's FP&A folders
11	<p>This should be populated with the following:</p> <ul style="list-style-type: none"> - Version (F01) - Year (current year) - SKF Name - Final Settlement Cost Center - Jan-Dec SKF Value for the year <p>For purposes of Forecast SKFs, the following rules apply:</p> <ul style="list-style-type: none"> - Prior to the April Update, Forecast SKFs = Plan SKFs for Jan-Dec - After the April Update, Forecast SKFs = Plan SKFs for Jan-Mar, and Forecast SKFs = April Update SKFs for Apr-Dec - After the July Update, Forecast SKFs = Plan SKFs for Jan-Jun, and Forecast SKFs = July Update SKFs for Jul-Dec - After the October Update, Forecast SKFs = Plan SKFs for Jan-Sep, and Forecast SKFs = October Update SKFs for Oct-Dec
12	In the Security Warning area click on Options, select Enable this content and click OK.
13	Make sure this is the only Excel file open.
14	Press Control-R to begin upload
15	Log into SAP when prompted. Click on system and choose a production SAP system and login.
16	Check for error messages.
17	Run the 1KMA report in SAP and confirm the figures loaded match the ones calculated.
18	If errors need to be corrected, the correct amount can just be loaded and it will replace the incorrect amount.

The following files are not convertible:

(redacted).xlsx
(redacted).xlsx
(redacted).xlsx

CEHE RFP Schedules (redacted).xlsx
CEHE RFP Workpapers B (redacted).xlsx
CEHE RFP Workpapers C (redacted).xlsx
CEHE RFP Workpapers D (redacted).xlsx
CEHE RFP Workpapers E (redacted).xlsx
CEHE RFP Workpapers E-3 (redacted).xlsx
CEHE RFP Workpapers F & L

CEHE RFP Workpapers Support

CEHE RFP Workpapers TCOS Calculation

H Schedule Workpapers.xlsx
Schedule H 2023.xlsx
Schedule I and J 2023.xlsx
Workpaper V-K-1.xlsx
Workpaper V-K-2.xlsx
Workpaper V-K-6 Asset Pushdown.xlsx
Workpaper V-K-6 Employee Expense

(Voluminous).xlsx

Workpaper V-K-6 Former CEO.xlsx
Workpaper V-K-6 Pension.xlsx
Workpaper V-K-6 Wage Adj.xlsx
Workpaper V-K-8.xlsx
Workpaper V-K-12.xlsx
Workpaper V-K-14 Affiliate Payroll.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.

WORKPAPERS
TO
SCHEDULE H

WP – MODEL FILES

is voluminous and will be provided in electronic
format.

The following files are not convertible:

Class_Franchise.xlsx	WP - 2023 KWH by Rate
and Proposed Calculations.xlsx	WP - AMS Transformer Percentage.xlsx
2023-08.xlsx	WP - Discretionary Services - Current
	WP - Dist Cust Loads by Service Type
	WP - Diversity Factor 2023-08.xlsx
	WP - FERC 597.xlsx
	WP - Misc Lighting 2023.xlsx
	WP - Plant FERC Accts.xlsx
	WP - Street Light 2023.xlsx
	WP - Transformer Counts for IDR.xlsx
mounted transformers 2023-08.xlsx	WP - UG feeder and URD customers on pad
(voluminous).xlsx	WP Employee Expense Adj
(voluminous).xlsx	WP II-E-2 Property Tax
(voluminous).xlsx	WP II-F-Plant Functionalization
	PVS_Energy.xlsx
	PVS_Energy_AR1.xlsx
	PVS_IDR_Energy.xlsx
	PVS_IDR_Energy_AR1.xlsx
	RS_Energy.xlsx
	RS_Energy_AR1.xlsx
	SVL_Energy.xlsx
	SVL_Energy_AR1.xlsx
	SVL_IDR_Energy.xlsx
	SVL_IDR_Energy_AR1.xlsx
	SVS_Energy.xlsx
	SVS_Energy_AR1.xlsx
	PVS_IDR_NCP.xlsx
	PVS_IDR_NCP_AR1.xlsx
	PVS_NCP.xlsx
	PVS_NCP_AR1.xlsx
	RS_NCP.xlsx
	RS_NCP_AR1.xlsx
	SVL_IDR_NCP.xlsx
	SVL_IDR_NCP_AR1.xlsx
	SVL_NCP.xlsx
	SVL_NCP_AR1.xlsx
	SVS_NCP.xlsx
	SVS_NCP_AR1.xlsx
	PVS_CP.xlsx
	PVS_CP_AR1.xlsx
	PVS_IDR_CP.xlsx
	PVS_IDR_CP_AR1.xlsx
	RS_CP.xlsx
	RS_CP_AR1.xlsx
	SVL_CP.xlsx

SVL_CP_AR1.xlsx
SVL_IDR_CP.xlsx
SVL_IDR_CP_AR1.xlsx
SVS_CP.xlsx
SVS_CP_AR1.xlsx
PVS_ECP.xlsx
PVS_ECP_AR1.xlsx
PVS_IDR_ECP.xlsx
PVS_IDR_ECP_AR1.xlsx
RS_ECP.xlsx
RS_ECP_AR1.xlsx
SVL_ECP.xlsx
SVL_ECP_AR1.xlsx
SVL_IDR_ECP.xlsx
SVL_IDR_ECP_AR1.xlsx
SVS_ECP.xlsx
SVS_ECP_AR1.xlsx
PVS_BDemand.xlsx
PVS_BDemand_AR1.xlsx
PVS_Demand.xlsx
PVS_Demand_AR1.xlsx
PVS.xlsx
PVS_AR1.xlsx
PVS_IDR.xlsx
PVS_IDR_AR1.xlsx
RS.xlsx
RS_AR1.xlsx
SVL.xlsx
SVL_AR1.xlsx
SVL_IDR.xlsx
SVL_IDR_AR1.xlsx
SVS.xlsx
SVS_AR1.xlsx

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