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

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

June 13, 2024

**Contact: Peggy Sorum
CenterPoint Energy, Inc
1005 Congress Avenue, Suite 650
Austin, Texas 78701
Tel No: (512) 397-3077
Fax: (512) 397-3050
peggy.sorum@centerpointenergy.com**

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

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI05-01**

QUESTION:

Please confirm that CEHE was included in the Vectren Corporation consolidated federal tax return during the years 2014 – 2019 and in the CenterPoint Energy Consolidated federal tax return for years 2019 through the present. If this is incorrect, please state specifically which consolidated tax returns the Company was included in for each of the tax years 2014 – 2023.

ANSWER:

Deny. CenterPoint Houston has never been included in the Vectren Corporation consolidated federal income tax return. CenterPoint Houston was included in the CenterPoint Energy Incorporated consolidated federal income tax return from 2014-2022. The 2023 CenterPoint Energy Incorporated consolidated federal income tax return has not been filed. When it is filed, CenterPoint Houston will be included in that return.

SPONSOR:

Jennifer Story

RESPONSIVE DOCUMENTS:

None

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

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI05-02**

QUESTION:

Please confirm that CenterPoint Energy Inc. would be the entity subject to the Corporate Alternative Minimum Tax ("CAMT") and not CenterPoint Energy Houston Electric, LLC. If this is not correct, please explain in detail what entity will be subject to the CAMT and how the CAMT would be calculated.

ANSWER:

Deny. Please see GCCC02-07 for a discussion of why CenterPoint Energy Houston Electric, LLC is subject to the CAMT. See the direct testimony of Jennifer K. Story, Table 4. Illustrative CAMT calculation, for a sample calculation of the CAMT.

SPONSOR:

Jennifer Story

RESPONSIVE DOCUMENTS:

None

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

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI05-03**

QUESTION:

Please refer to the direct testimony of Mr. Durland, page 31, Lines 11 through 15. Please identify other dockets in Texas or elsewhere where a similar rider to the Rider Inflation Reduction Act ("IRA") has been approved by a state commission or other regulatory body. Identify the state commission or other regulatory body and the docket and order number.

ANSWER:

Please see the list below. This list is not an all-inclusive list of riders like Rider IRA.
Texas PUC:

Docket No. 48325; APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC FOR
AUTHORITY TO DECREASE RATES BASED ON THE TAX CUTS AND JOBS ACT OF 2017

Docket No. 49421; APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
FOR AUTHORITY TO CHANGE RATES. Unprotected Excess Deferred Income Taxes Credit.

Docket No.49494; APPLICATION OF AEP TEXAS INC. FOR AUTHORITY TO CHANGE RATES.
Income Tax Refund Rider.

SPONSOR:

John R. Durland

RESPONSIVE DOCUMENTS:

None

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

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI05-04**

QUESTION:

Please refer to the direct testimony of Mr. Durland, page 32, Lines 4 and 5, stating that updates to the Rider IRA revenue requirement will be filed annually. Please explain CEHE's proposed submission, review, comment, and approval process and timelines for updating the Rider IRA revenue requirement.

ANSWER:

Please see the Company's response to Request No. GCCC02-01.

SPONSOR:

John R. Durland

RESPONSIVE DOCUMENTS:

None

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

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI05-05**

QUESTION:

Please refer to the direct testimony of Ms. Jennifer K. Story, page 18, Lines 21 and 22, and page 19, Line 1, stating that "additional guidance is expected to clarify provisions of the IRA." Per Footnote 16, "Comments have been requested on various tax credits and the CAMT. Additional IRS Notices will likely be issued before Proposed Regulations come out." Given that the provisions of the IRA are yet to be finalized, please explain why it is appropriate to implement the Rider IRA and commence tracking at this time.

ANSWER:

It is appropriate to begin tracking the impacts of the CAMT and implement Rider IRA immediately at the end of this case because the cash flow implications of the CAMT will begin before final regulations are issued. The benefit of the Rider IRA is that it allows the impacts of the CAMT, either favorable or unfavorable, to be updated as new guidance become available. Please see the direct testimony of Jennifer K. Story at Bates Stamp pages 1056-1060 for a further discussion of why it is appropriate to include recovery of the CAMT in this case. Additionally, see the direct testimony of Jacqueline M. Richert at Bates Stamp pages 2253 and 2254 discussing the credit rating risk related to CAMT.

SPONSOR:
Jennifer Story

RESPONSIVE DOCUMENTS:

None

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

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RF105-06**

QUESTION:

Please refer to the direct testimony of Ms. Story, page 19, Lines 15 through 21, and page 20, Lines 1 through 2, please explain why recovery through a new Rider IRA is preferable to recovery through the existing Distribution Cost Recovery Factor and Transmission Cost of Service interim rate mechanisms.

ANSWER:

As discussed in Company witness Kristie Colvin's direct testimony beginning on Bates Page 867, the Company's proposed Rider IRA allows the Company to specifically track the impacts of the Inflation Reduction Act of 2022. Rider IRA will ensure that all of the impacts are captured on an annual basis immediately upon receiving a final order in this proceeding. Conversely, Distribution Cost Recovery Factor and Transmission Cost of Service interim rate mechanisms are not designed to address all of the impacts of the Inflation Reduction Act of 2022. Those proceedings can only address the impact of the Inflation Reduction Act of 2022 as it relates to the plant accounts that are recovered through those mechanisms, have no true-up mechanisms, and have existing statutory timelines. Put differently, the Company's proposal would establish a more comprehensive, accurate, and discrete review of any impacts from the Inflation Reduction Act of 2022. For these reasons, recovery through the new Rider IRA is preferable to recovery through the existing Distribution Cost Recovery Factor and Transmission Cost of Service interim rate mechanisms.

SPONSOR:

Kristie Colvin

RESPONSIVE DOCUMENTS:

None

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

**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI05-07**

QUESTION:

Please refer to the rate filing package file 'II-I Class Allocation.xls', sheet 'WP-Mwh', row13, please explain why the losses for the lighting SLS and MLS are the same as the losses for the Secondary voltage > 10 kVa.

ANSWER:

Pursuant to Sheet No. 6.6 of CenterPoint Houston's Tariff for Retail Delivery Service, Lighting Services (SLS and MLS) take the "delivery of Electric Power and Energy at Company's standard Secondary Distribution Voltages".

SPONSOR:

John R. Durland

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
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**OFFICE OF PUBLIC UTILITY COUNSEL
REQUEST NO.: OPUC-RFI05-08**

QUESTION:

Please refer to the rate filing package file 'II-I Class Allocation.xls', sheet 'WP-Accts. 907-10', row 39, please describe the justification behind the allocation of Business Development to the Residential class.

ANSWER:

The Company has proposed to continue with the longstanding methodology of allocating Business Development costs in Schedule I and J 2023-Errata 2.xlsx, 'WP-Accts. 907-10', row 39 based on customer count.

SPONSOR:

John R. Durland

RESPONSIVE DOCUMENTS:

None

CERTIFICATE OF SERVICE

I certify that on June 13, 2024, this document was filed with the Public Utility Commission of Texas in Docket No. 56211, and a true and correct copy of it was served by electronic mail on all parties of record in this proceeding in accordance with the Second Order Suspending Rules issued in Project No. 50664.

Jaunce Glenn Russell