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PUC DOCKET NO. 56211**

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

**CenterPoint Energy Houston Electric, LLC’s Errata 3 Filing**

**June 14, 2024**

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CenterPoint Energy Houston Electric, LLC  
Summary of Changes - Direct Testimony and Exhibits

Application

Updated for changes to the RFP Schedules

Lynnae K. Wilson

Updated Direct Testimony for changes to the RFP Schedules and Workpapers

Updated Exhibits to Direct Testimony for changes to the RFP Schedules and Workpapers

Updated Workpapers to Direct Testimony for changes to the RFP Schedules and Workpapers

Randal M. Pryor

Updated Direct Testimony for revisions to the number of poles inspected and treated, and the number of IGSDs installed.

Kristie L. Colvin

Made corrections to the RFP Schedules and Workpapers (see explanations attached)

Updated Direct Testimony for changes to the RFP Schedules and Workpapers

Updated Exhibits to Direct Testimony for changes to the RFP Schedules and Workpapers

Jennifer K. Story

Updated Direct Testimony for changes to the RFP Schedules and Workpapers

Gregory S. Wilson

Updated test year ending reserve deficit balance, and  
component of annual accrual which builds reserve from deficit balance to target balance,  
and total annual accrual.

Testimony Title Page, Table of Contents, pages 4 (one errata) and 5 (two errata) and  
12 (four errata)

Exhibit GSW-2 (two errata)

John R. Durland

Made corrections to the RFP Schedules and Workpapers (see explanations attached)

Updated Direct Testimony for changes to the RFP Schedules and Workpapers

Updated Exhibits to Direct Testimony for changes to the RFP Schedules and Workpapers

**APPLICATION OF CENTERPOINT ENERGY  
HOUSTON ELECTRIC TO CHANGE RATES  
ERRATA 3**

- recommending a 10.4% return on equity, even though Company witness Ann E. Bulkley's expert testimony supports a 10.6% return (approximately \$13.8 million reduction in the revenue requirement);
- removing costs associated with having both a chief executive officer and a chief operating officer in the CenterPoint Energy, Inc. corporate structure, which was the case in the test year, but is not the case now (approximately \$12.6 million reduction in the revenue requirement);
- asking to amortize regulatory assets over 5 years, consistent with the Commission's order in Oncor's recent rate case, Docket No. 53601, instead of 3 years as the Company originally intended and believes would be justified (approximately \$17.7 million reduction in the revenue requirement); and
- not recommending an increase in depreciation expense, even though a material increase is supported by the updated depreciation study conducted by Company witness Dane A. Watson and included in this application (approximately \$35 million reduction in the revenue requirement).

In total, and at a high level, these proposals reduce the total revenue requirement requested in this case by almost \$80 million and result in a requested increase on an average residential customer bill of approximately ~~\$1.17~~ ~~\$1.25~~ **\$1.21**.

This filing presents the opportunity to review the investment and expenses that CenterPoint Houston has incurred since the Company's last base rate case and to establish a solid foundation that will enable CenterPoint Houston to continue to meet the expectations of its customers, respond to growth, and support economic development within the State of Texas. This is vitally important because residential customer growth in the Company's service territory is expected to continue at

## V. OVERVIEW OF THE APPLICATION

This Application contains the testimony of 29 witnesses. The direct testimony of Lynnae K. Wilson presents an overview of the Company's filing and its request for a base rate increase of approximately ~~\$17~~ <sup>\$15</sup> million for service to retail customers excluding TCRF and rate case expenses ~~\$42~~ and an increase of approximately ~~\$43~~ million for wholesale transmission service. The direct testimony of Jason M. Ryan describes population and weather trends impacting CenterPoint Houston operations, the importance of updating the Company's regulatory capital structure to support ongoing system investments, the fact that the average CenterPoint Houston residential customer bills have remained relatively flat over the last ten years, and how the Commission can position the Company to address the need for significant new capital investment while maintaining affordable rates. If approved and implemented through the rates for Retail Delivery Service, the impact on a residential customer using 1,000 kwh per month, including current and proposed tariff riders would be an increase of approximately ~~\$1.17~~ <sup>\$1.21</sup> per month. A customer with a retail plan that charges 17.67 cents a kWh would see their rate go to 17.79 centers per kWh, or a ~~0.66%~~ <sup>0.69%</sup> increase in their total bill. The extent to which these additional charges would be passed on by REPs is a function of the competitive market. A summary of each witness's testimony is provided below:

Witness	Subjects Addressed	Volume/Pages
Lynnae K. Wilson	Ms. Wilson provides an overview of the Company's filing, introduces witnesses that support CenterPoint Houston's request, discusses Company values that drive prudent decision making on a daily basis, and describes the Company's capital investment pillars.	Volume 1 / Pages 41-122
Jason M. Ryan	Mr. Ryan provides an overview of the Company's utility operations and investment strategy and major drivers that impact the Company's decision-making.	Volume 1 / Pages 123-234
Eric D. Easton	Mr. Easton describes the Company's Grid Transformation and Investment Strategy Division, how capital investments are	Volume 1 / Pages 235-302

**a. Retail Base Rate Schedules**

CenterPoint Houston proposes to update the Delivery System Charges for each retail rate class to reflect the revenue requirement by function as described in its proposed allocation study. The rate changes for each rate class except the Lighting Services rate class are reflected below.

CURRENT AND PROPOSED CHARGES (General Rate Schedules)					ERRATA 3
CLASS	Type of Charge	Current Charge	Proposed Charge	Inc. or Dec.	Billing Unit
<b>RESIDENTIAL</b>	Customer	\$2.30	<del>\$2.16</del> \$2.11	<del>(\$0.14)</del> (\$0.19)	per customer
	Metering	\$2.09	<del>\$2.77</del> \$2.79	<del>\$0.68</del> \$0.70	per meter
	Transmission	\$0.000000	<del>\$0.000000</del> \$0.026100	<del>\$0.000000</del> \$0.001823	per kWh
	Distribution	\$0.024277	<del>\$0.026100</del>	<del>\$0.001823</del>	per kWh
<b>SECONDARY =&lt;10 Kva (Small)</b>	Customer	\$2.26	<del>\$2.22</del> \$2.01	<del>(\$0.04)</del> (\$0.25)	per customer
	Metering	\$2.32	<del>\$3.02</del> \$2.95	<del>\$0.70</del> \$0.63	per meter
	Transmission	\$0.000000	<del>\$0.000000</del> \$0.015740	<del>\$0.000000</del> (\$0.003545)	per kWh
	Distribution	\$0.019285	<del>\$0.016460</del>	<del>(\$0.002825)</del>	per kWh
<b>SECONDARY &gt;10 Kva (Large)</b>	Customer				
	NON-IDR	\$3.00	<del>\$3.23</del> \$4.14	<del>\$0.23</del> \$1.14	per customer
	IDR	\$44.95	<del>\$40.50</del> \$64.72	<del>(\$4.45)</del> \$1.29	per customer
	Metering				
	NON-IDR	\$7.41	<del>\$9.56</del> \$9.27	<del>\$2.15</del> \$1.86	per meter
	IDR	\$72.00	<del>\$88.98</del> \$86.69	<del>\$16.98</del> \$14.69	per meter
	Transmission				
	NON-IDR	\$0.000000	\$0.000000	\$0.000000	per NCP Kva
	IDR	\$0.000000	<del>\$0.000000</del> \$4.475710	<del>\$0.000000</del> (\$0.58793)	per 4 CP Kva
	Distribution	\$5.06364	<del>\$4.48179</del>	<del>(\$0.58185)</del>	per Billing Kva
<b>PRIMARY</b>	Customer				
	NON-IDR	\$4.51	<del>\$9.95</del> \$6.37	<del>\$5.44</del> \$1.86	per customer
	IDR	\$57.14	<del>\$49.78</del> \$69.05	<del>(\$7.36)</del> \$11.91	per customer
	Metering				
	NON-IDR	\$284.78	<del>\$368.50</del> \$285.64	<del>\$83.72</del> \$0.86	per meter
	IDR	\$175.97	<del>\$94.06</del> \$81.03	<del>(\$81.91)</del> (\$94.94)	per meter
	Transmission				
	NON-IDR	\$0.000000	\$0.000000	\$0.000000	per NCP Kva
	IDR	\$0.000000	<del>\$0.000000</del> \$3.441580	<del>\$0.000000</del> \$0.724252	per 4 CP Kva
	Distribution	\$2.717328	<del>\$3.271110</del>	<del>\$0.553782</del>	per Billing Kva

see Item 240 in Docket No. 56211 for ERRATA 2 filed 5/22/2024



<b>TRANSMISSION</b>	Customer	\$209.26	\$161.68	\$190.55	(\$47.58)	(\$18.71)	per customer
	Metering	\$799.36	\$615.98	\$732.35	(\$183.38)	(\$67.01)	per meter
	Transmission	\$0.000000	\$0.000000	\$0.000000	\$0.000000	(\$0.072897)	per 4 CP Kva
	Distribution	\$0.609167	\$0.567266	\$0.536270	(\$0.041907)		per 4 CP Kva
Distribution includes DCRF Charge, See Schedule IV-J-7 TCRF for TCRF							

see Item 240 in Docket No. 56211 for ERRATA 2 filed 5/22/2024

The rate changes for the Lighting Services rate class are reflected in Section IV. – Non-Rate Tariff Changes and Exhibit JRD-7 to the direct testimony of Company witness John R. Durland, which is incorporated herein by reference. Revenues by rate class and number of customers are provided below.

CenterPoint Energy Houston Electric, LLC Summary of Revenues Test Year Ending December 31, 2023									
Line	Rate Class Description	Number of Customers	Present Revenues <sup>1</sup> (a)	Proposed Revenues <sup>2</sup> (b)	ERRATA 3 Proposed Revenues	Change (c) = (b)-(a)	ERRATA 3 Change (c) = (b)-(a)	Change Pct (d)/(a)	ERRATA 3 Change Pct (d)/(a)
1	Residential	2,455,309	\$ 901,815,248	\$ 973,130,757	\$ 974,971,423	\$ 71,315,509	\$ 73,156,175	7.9%	8.1%
2	Secondary <= 10kva	155,776	\$ 25,410,421	\$ 23,000,757	\$ 23,022,245	\$ (2,409,664)	\$ (2,388,176)	-9.5%	-9.4%
3	Secondary > 10Kva	151,170	\$ 578,913,742	\$ 520,998,933	\$ 521,667,018	\$ (57,914,809)	\$ (57,246,724)	-10.0%	-9.9%
4	Primary	1,047	\$ 41,515,394	\$ 53,126,721	\$ 50,967,061	\$ 11,611,328	\$ 9,451,667	28.0%	22.8%
5	Transmission	233	\$ 27,090,086	\$ 24,002,755	\$ 24,002,130	\$ (3,087,331)	\$ (3,087,956)	-11.4%	-11.4%
6	Miscellaneous Lighting	10,660	\$ 5,812,803	\$ 3,040,963	\$ 3,125,641	\$ (2,771,839)	\$ (2,687,162)	-47.7%	-46.2%
7	Lighting	5,654	\$ 70,222,868	\$ 68,591,816	\$ 67,609,051	\$ (1,631,053)	\$ (2,613,817)	-2.3%	-3.7%
8									
9	Retail Electric Delivery Revenues	2,779,849	\$ 1,650,780,562	\$ 1,665,892,702	\$ 1,665,364,569	\$ 15,112,141	\$ 14,584,007	0.9%	0.9%
10									
11	Wholesale Transmission Revenue		\$ 654,236,818	\$ 696,755,404	\$ 696,094,011	\$ 42,518,586	\$ 41,857,193	6.5%	6.4%
12									
13	Total Cost of Service		\$ 2,305,017,380	\$ 2,362,648,106	\$ 2,361,458,580	\$ 57,630,726	\$ 56,441,200	2.5%	2.4%
1 Test Year revenues have been adjusted to normalize billing units and adjust for DCRF [see Item 115 in Docket No. 56211 for ERRATA 1 filed 4/19/2024]									
2 Proposed Revenues per ERRATA 2 [see Item 240 in Docket No. 56211 filed 5/22/2024]									
* See schedule IV-J-7 TCRF for TCRF costs									

Additional non-rate changes to these rate class schedules are generally described in the direct testimony of Company witness Mr. Durland.

#### b. Associated Retail Delivery Service Riders

The Company proposes updates, deletions, and additions to several of the riders currently associated with the base rate schedules. It proposes to update: Rider RCE – Rate Case Expenses

**d. Non-Rate Tariff Changes**

The Company is proposing to revise the Tariff for Retail Delivery Service 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 Tariff for Retail Delivery Service where those provisions are more logically addressed. The Company also has 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.

The non-rate tariff changes are necessary for two reasons. First, the Company has added and revised language in the Tariff for Retail Delivery Service many times throughout the years, some of which may be confusing or redundant or is no longer applicable, and this proceeding offers an opportunity to harmonize those revisions throughout the Tariff for Retail Delivery Service for clarity and consistency. Also, some of the changes reflect the Company's experience in operating under these provisions over time and its understanding of how the provisions can be better worded so that they are easier for customers to understand and for the Company to apply. These changes are summarized in Exhibit JRD-7 of Company witness Mr. Durland.

**2. Tariff for Wholesale Delivery Service**

The Tariff for Wholesale Delivery Service ("Wholesale Tariff") includes CenterPoint Houston's proposed wholesale transmission service rate and the terms under which wholesale transmission service will be provided, as well as the Company's current wholesale distribution service rates. The Company proposes changes to this tariff to reflect CenterPoint Houston's current cost of providing wholesale transmission service. The result of the change will update the Company's wholesale transmission service rate from \$7.829841 per kW to ~~\$8.338699~~ <sup>\$8.330784</sup> ~~\$8.345537~~ per kW. The proposed change for the Wholesale Tariff is shown in Exhibit JRD-10.

#### **D. Effect of Proposed Change on Company's Revenues**

The Application supports a net increase in retail transmission and distribution rates of approximately ~~\$15~~ <sup>\$15</sup> million over adjusted test year revenues, which is an increase of approximately ~~1%~~ <sup>1%</sup>. It also supports an approximately ~~\$43~~ <sup>\$42</sup> million increase for wholesale transmission service, which is an increase of approximately ~~6.6%~~ <sup>6.5%</sup> ~~6.6%~~ <sup>6.4%</sup>. The proposed increase constitutes a “major change” as that term is defined in PURA § 36.101.

#### **E. Rate Case Expenses**

CenterPoint Houston seeks recovery through Rider RCE of all reasonable rate case expenses incurred by the Company and by any intervening city awarded such recovery in this case and deferred costs from prior rate proceedings.

### **VI. PROTECTIVE ORDER**

CenterPoint Houston has designated certain documents included in this Application as either Protected Material or Highly Sensitive Protected Material under the terms of the proposed protective order and anticipates it being necessary for the Company or other parties to submit additional documents containing confidential material during discovery in this case. The Company therefore requests approval of the proposed protective order included in Section VII of the rate filing package. The proposed protective order is the Commission protective order and has been approved in the Company's prior base rate proceeding and each of the Company's prior Distribution Cost Recovery Factor (“DCRF”) proceedings. Until a protective order is issued in this proceeding, the Company will provide access to the confidential information submitted with this Application to parties that agree in writing to be bound by the proposed protective order as if it had been issued by the Commission.

**PUC DOCKET NO. 56211**

<b>APPLICATION OF CENTERPOINT</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>ENERGY HOUSTON ELECTRIC, LLC</b>	<b>§</b>	
<b>FOR AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>OF TEXAS</b>

**DIRECT TESTIMONY** ~~ERRATA 2~~

**OF**

**LYNNAE K. WILSON**

**ON BEHALF OF**

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

~~JUNE~~

~~MAY~~

**MARCH 2024**

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List of Exhibits

Exhibit LKW-1	CenterPoint Energy Houston Service Area Map
Exhibit LKW-2	Rate Case Witness List
Exhibit LKW-3 ERRATA 3	Comparison per Rate Case General Instruction 2

1 the current and future needs of our customers.

2 In establishing new transmission and distribution rates for CenterPoint Houston,  
3 the Company asks the Public Utility Commission of Texas (“Commission”) to provide it  
4 with the opportunity to earn a reasonable rate of return on its investment and to recover its  
5 necessary O&M expenses, so that it can continue to provide safe and reliable electric  
6 service. As shown in the Company’s application, the total cost of service for CenterPoint  
7 Houston using a test year based on the 12 months ending December 31, 2023 (“Test Year”),  
8 as adjusted for known and measurable changes, is approximately \$2.4 billion, excluding  
9 costs related to wholesale transmission from others. This includes a proposed return on  
10 equity of 10.4%, a capital structure of 55.1% debt and 44.9% equity, and a proposed overall  
11 weighted cost of capital of 7.03% on a rate base of approximately \$12.1 billion. The  
12 Company has invested over \$6.5 billion in transmission and distribution infrastructure  
13 since the Company’s last rate case. If approved and implemented through the rates for  
14 Retail Delivery Service, the impact on a residential customer using 1,000 kilowatt-hours  
15 per month would be an increase of approximately ~~\$1.17~~ **\$1.21** per month.

16 My testimony provides an overview of the Company’s filing, its operations, and its  
17 rate request. I also introduce the Company witnesses that support the requested rates. In  
18 addition, my testimony highlights the Company’s commitment to its customers—a  
19 commitment to modernizing electric delivery to create a stronger, smarter, more resilient,  
20 and adaptable grid enabling continuing evolution of our customers’ and communities’  
21 energy future. As a result, the Company has established investment pillars of system  
22 growth, reliability, modernization, and clean energy enablement to focus efforts, enhance  
23 resiliency, and drive system performance results.

1 Company has prepared the filing using actual Test Year books and records, adjusted  
2 for known and measurable changes, and using traditional and widely accepted  
3 ratemaking principles.

4 **Q. WHY IS NECESSARY TO REMOVE COSTS RELATED TO**  
5 **WHOLESALE TRANSMISSION FROM OTHERS FROM THE COST OF**  
6 **SERVICE?**

7 A. As described by witness Mr. Durland, the Company is not proposing a transmission  
8 function charge in this rate case since the retail transmission costs are recovered  
9 through the Transmission Cost Recovery Factor ("TCRF") and not through base  
10 rates. Additionally, as explained by Company witness Mr. Durland, consistent with  
11 16 TAC § 25.193 and Rider TCRF, the Company will be required to update the  
12 TCRF to reflect any changes in wholesale transmission rates separate from this rate  
13 case.

14 **Q. WHAT EFFECT WOULD THE COMPANY'S PROPOSED RATE HAVE**  
15 **ON RESIDENTIAL CUSTOMERS?**

16 A. As a result of IRA, the Company could be subject to the CAMT. Therefore, the  
17 Company is requesting approval of a tax rider ("Rider IRA") to ensure that the  
18 impacts of the IRA are captured on an annual basis. As set out in the direct  
19 testimony of Company witness Mr. Durland, the Company's filing shows an  
20 increase for residential customers over adjusted test year Retail Delivery Service  
21 ~~\$74~~ **\$73** million, or approximately 8%, for the Customer,  
22 Meter, and Distribution portion of the bill. The TCRF without the over-under is  
23 expected to increase by approximately \$0.74. TC5 is expected to be retired during

1 this proceeding and results in a decrease of \$1.92 per 1000kWh. If approved and  
2 implemented through the rates for Retail Delivery Service, the impact on a  
3 residential customer using 1,000 kwh per month, including current and proposed  
4 tariff riders would be an increase of approximately ~~\$1.17~~ **\$1.21** per month. A customer  
5 with a retail plan that charges 17.67 cents a kWh would see their rate go to 17.79  
6 cents per kWh, or a ~~0.66%~~ **0.69%** increase in their total bill. The extent to which these  
7 additional charges would be passed on by Retail Electric Providers is a function of  
8 the competitive market.

9 **Q. WHAT ARE THE PRIMARY DRIVERS OF THE REVENUE**  
10 **REQUIREMENT IN THIS CASE?**

11 A. As also discussed by Company witness Mr. Ryan, the area served by CenterPoint  
12 Energy Houston is growing rapidly and faces extreme weather. The combination of  
13 rapid growth and extreme weather demands significant levels of investment in the  
14 Company's transmission and distribution system. CenterPoint Houston's total  
15 gross plant in service since the end of the test year presented in Docket No. 49421  
16 has increased approximately \$6.3 billion. This investment includes 2,188  
17 additional miles of distribution lines, 101 new miles of transmission lines, six new  
18 distribution substations and six new transmission substations, and associated plant  
19 in service necessary to meet the demands of a growing service territory. Since the  
20 Company's last base rate case, there has been an approximate 11% increase in the  
21 number of metered customers, yet during that same time, O&M (excluding  
22 wholesale transmission costs that are recovered through the TCRF) have decreased,  
23 even without considering the impact of inflation. This reduction from 2019 level



1 charge from the Tariff for Retail Delivery Service, removing the Accumulated  
2 Deferred Federal Income Tax Credit rider, and removing the Transmission Charge  
3 in the Tariff for Retail Delivery Service. In addition, the Company is proposing to  
4 update the charges for Discretionary Services consistent with the methodology  
5 approved in 49421. The Company also proposes to revise the Tariff for Retail  
6 Delivery Service to incorporate the applicable terms of service in the relevant rate  
7 schedules to which the terms apply, and to reorganize some provisions in a more  
8 logical structure. CenterPoint Houston proposes to update the Wholesale  
9 Transmission Service Tariff to reflect CenterPoint Houston's current cost of  
10 providing this service.

11 Regarding the cost-of-service portion of the request, the Company's filed  
12 cost of service data demonstrates that CenterPoint Houston's total annual cost of  
13 service (excluding wholesale transmission from others) totals approximately  
14 ~~\$2.36~~ **\$2.365** billion while current annual revenues are approximately \$2.305 billion  
15 (including the revenue from the interim DCRF rates set in docket 55993 that will  
16 soon be implemented). Consequently, there is a total annual net revenue deficiency  
17 ~~\$58~~ **\$57** million<sup>5</sup>, after adjustments for known  
18 and measurable changes. The Company proposes to eliminate this annual earnings  
19 deficiency and to have its rates set at a level to provide a reasonable opportunity to  
20 earn a reasonable ROE of 10.4%.

21 **Q. HAS THE COMPANY MANAGED O&M EXPENSES SINCE ITS LAST**  
22 **BASE RATE PROCEEDING?**

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~~\$61.5~~ **\$60.3**  
<sup>5</sup> Note that Schedule I-A which shows a ~~\$62.8~~ million proposed adjustment to rates includes the impact of updated Nuclear Decommission charges and proposed Rider RCE.

1 A. Yes. As noted above, the Company has continued its efforts to manage its O&M  
2 expenses while continuing to provide safe and reliable electric service. In fact and  
3 as shown on page 3 of my Exhibit LKW-3, the Company has experienced a \$47  
4 million net decrease in O&M since 2019. The CenterPoint Houston witnesses that  
5 support the Company's request for recovery of its O&M expenses discuss the cost  
6 control measures and budget management used to effectively manage overall  
7 expenses.

8 **Q. HOW DOES THE COMPANY PROPOSE TO RECOVER REASONABLE**  
9 **RATE CASE EXPENSES?**

10 A. As addressed in the testimony of Company witness Mr. Durland, the Company is  
11 including a rate case expense recovery rider ("Rider RCE") to ensure that the  
12 Company can recover the reasonable and reimbursable rate case expenses incurred  
13 in this proceeding as well as other prior rate proceedings. Company witness Myles  
14 Reynolds supports the reasonableness of CenterPoint Houston's rate case expenses  
15 eligible for recovery.

16 **Q. IS THE COMPANY ALSO SEEKING RATE RELIEF IN THE**  
17 **INCORPORATED AREAS OF CENTERPOINT HOUSTON'S SERVICE**  
18 **TERRITORY?**

19 A. Yes. Concurrent with this filing, the Company is filing Statements of Intent and  
20 underlying support with each of the cities in CenterPoint Houston's service territory  
21 that have retained original jurisdiction. CenterPoint Houston has calculated its  
22 proposed rates on a system-wide basis. Accordingly, the proposed rates and tariff  
23 changes filed with the cities are identical to the proposed rates and tariff changes

**CENTERPOINT HOUSTON ELECTRIC**  
**2023 RATE CASE REVENUE REQUIREMENT**  
*(Thousands)*

	Prior Rate Case Docket No. 49421 /1/	Test Year Ending December 31, 2023 Proposed Rates	ERRATA 2	ERRATA 3
Total Rate Base	\$ 6,233,718	\$ <del>12,099,745</del>	<del>\$ 12,105,853</del>	\$ 12,091,958
Rate of Return	6.51%	7.03%	7.03%	7.03%
Operating and Maintenance Expense	\$ 586,317	\$ <del>542,431</del>	<del>\$ 539,459</del>	\$ 539,419
Wholesale Transmission from Others	\$ 929,975	\$ <del>1,407,130</del>	<del>\$ 1,406,987</del>	\$ 1,406,821
Depreciation and Amortization Expense	\$ 352,141	\$ <del>583,418</del>	\$ 583,162	\$ 583,162
Taxes Other Than Federal Income Tax	\$ 275,047	\$ 329,581	\$ 329,581	\$ 329,581
Federal Income Tax Expense	\$ 39,218	\$ <del>132,409</del>	<del>\$ 132,484</del>	\$ 132,312
Return on Rate Base	\$ 394,594	\$ <del>850,808</del>	<del>\$ 851,238</del>	\$ 850,261
Total Cost of Service	\$ 2,577,292	\$ <del>3,845,777</del>	<del>\$ 3,842,912</del>	\$ 3,841,557
Other Revenues	\$ 67,903	\$ 73,277	\$ 73,277	\$ 73,277
Total Adjusted Revenue Requirement	\$ 2,509,389	\$ <del>3,772,500</del>	<del>\$ 3,769,635</del>	\$ 3,768,280
Total Revenue Requirement not including Wholesale Transmission from others:	\$ 1,579,414	\$ <del>2,365,370</del>	<del>\$ 2,362,648</del>	\$ 2,361,459

/1/ Prior Rate Case information from Rev 1.18.2020 Final Version-49421-Settlement Model of CEHE's CCROSS-Final Order.xlsx attached to Kristie L. Colvin Testimony In Support of Agreement filed 1-24-2020 Case 49421-786, approved by PUCT in its March 9, 2020 Order (49421-792); Rate of Return from Conclusion of Law 15 in PUCT March 9, 2020 Order (49421-792).

**CENTERPOINT HOUSTON ELECTRIC**  
**2023 RATE CASE REVENUE REQUIREMENT**  
*(Thousands)*

	Prior Rate Case Docket No. 49421 /1/	Test Year Ending December 31, 2023 Proposed Rates	ERRATA 2	ERRATA 3
Total Plant in Service	\$ 11,451,236	\$ 17,795,166	\$ 17,795,166	\$ 17,795,166
Accumulated Depreciation	(3,799,299)	(4,404,443)	(4,404,443)	(4,404,443)
Net Plant in Service	\$ 7,651,937	\$ 13,390,723	\$ 13,390,723	\$ 13,390,723
Plant Held for Future Use	929	6,260	6,260	6,260
Accumulated Provisions	(13,880)	24,434	24,235	24,235
Accumulated Deferred Federal Income Taxes	(962,480)	(1,278,618)	(1,270,979)	(1,270,979)
Materials and Supplies	109,729	399,097	399,097	385,206
Cash Working Capital Allowance	24,269	12,226	12,172	12,168
Prepayments	117,523	70,490	70,490	70,490
Other Rate Base Items	(694,309)	(524,868)	(526,146)	(526,146)
Total Rate Base	\$ 6,233,718	\$ 12,099,745	\$ 12,105,853	\$ 12,091,958

/1/ Prior Rate Case information from Rev 1.18.2020 Final Version-49421-Settlement Model of CEHE's CCOS-Final Order.xlsx attached to Kristie L. Colvin Testimony In Support of Agreement filed 1-24-2020 Case 49421-786, approved by PUCT in its March 9, 2020 Order (49421-792); Rate of Return from Conclusion of Law 15 in PUCT March 9, 2020 Order (49421-792).

**CENTERPOINT HOUSTON ELECTRIC**  
**2023 RATE CASE REVENUE REQUIREMENT**  
*(Thousands)*

	Prior Rate Case Docket No. 49421 /1/	Test Year Ending December 31, 2023 Proposed Rates	ERRATA 2	ERRATA 3
Transmission O&M (exclude FERC 565)	\$ 51,964	\$ 52,412	\$ 51,947	\$ 51,947
Distribution O&M Expense	272,092	227,904	225,504	225,504
Customer Accounting Expense	32,495	18,718	18,662	18,662
Customer Service & Information Expense	6,905	2,047	2,047	2,047
Sales Expense	-	-	-	-
Admin & General Expenses	222,860	241,350	241,298	241,258
Subtotal	\$ 586,316	\$ 542,431	\$ 539,459	\$ 539,419
Wholesale Transmission from Others	929,975	1,407,130	1,406,987	1,406,821
Depreciation and Amortization Expense	352,141	583,418	583,162	583,162
Taxes Other Than Federal Income Tax	275,047	329,581	329,581	329,581
Federal Income Tax Expense	39,218	132,409	132,484	132,312
Return on Rate Base	394,594	850,808	851,238	850,261
Total Cost of Service	\$ 2,577,291	\$ 3,845,777	\$ 3,842,912	\$ 3,841,557
Other Revenues	67,903	73,277	73,277	73,277
Total Adjusted Revenue Requirement	\$ 2,509,388	\$ 3,772,500	\$ 3,769,635	\$ 3,768,280
Total Revenue Requirement not including Wholesale Transmission from others:	\$ 1,579,413	\$ 2,365,370	\$ 2,362,648	\$ 2,361,459

/1/ Prior Rate Case information from Rev 1.18.2020 Final Version-49421-Settlement Model of CEHE's CCOSS-Final Order.xlsx attached to Kristie L. Colvin Testimony In Support of Agreement filed 1-24-2020 Case 49421-786, approved by PUCT in its March 9, 2020 Order (49421-792); Rate of Return from Conclusion of Law 15 in PUCT March 9, 2020 Order (49421-792).

**LYNNAE K. WILSON**  
**LIST OF WORKPAPERS**

	Workpaper LKW-01	Change in customers since 2018
	Workpaper LKW-02	Change in mileage since 2018
ERRATA 3	Workpaper LKW-03	Residential bill impact – no change to TC5
ERRATA 3	Workpaper LKW-04	Residential bill impact – TC5 to \$0 in 2024
	Workpaper LKW-05	TMC, Port of Houston
	Workpaper LKW-06	Change in gross plant since 2018
ERRATA 3	Workpaper LKW-07	Revenue Requirement
	Workpaper LKW-08	Growth in the Nations Largest Counties Rebounds in 2022
	Workpaper LKW-09	Population Growth Surges
	Workpaper LKW-10	Customer count by year
	Workpaper LKW-11	Weather activity – KHOU (voluminous)
	Workpaper LKW-12	Weather activity – Galveston Scholes (voluminous)
	Workpaper LKW-13	Weather activity – KIAH (voluminous)
	Workpaper LKW-14	Weather activity – tableau workbook (electronic)

Residential Bill impact - no change to TC5

CEHE Charges	Current	Proposed	ERRATA 2	ERRATA 3
Customer Charge	\$ 2.30	\$ <del>2.16</del>	\$ <del>2.12</del>	\$ 2.11
Metering Charge	\$ 2.09	\$ <del>2.77</del>	\$ 2.79	\$ 2.79
Distribution System Charge	\$ 0.020314	\$ <del>0.026100</del>	\$ <del>0.026040</del>	\$ 0.026100
Transition Charge 5	\$ 0.001916	\$ 0.001916	\$ 0.001916	\$ 0.001916
Nuclear Decommissioning Charge	\$ 0.000003	\$ 0.000013	\$ 0.000013	\$ 0.000013
Energy Efficiency Cost Recovery Factor (EECRF)	\$ 0.000826	\$ 0.000826	\$ 0.000826	\$ 0.000826
Rate Case Expense Rider	\$ -	\$ 0.000050	\$ 0.000050	\$ 0.000050
Temp Emergency Electric Energy Facilities	\$ 0.002392	\$ 0.002392	\$ 0.002392	\$ 0.002392
Distribution Cost Recovery Factor (9/1/2024)	\$ 0.003963	\$ -	\$ -	\$ -
Transmission Cost Recovery Factor (Annualized)	\$ 0.020894	\$ <del>0.021635</del>	\$ <del>0.021633</del>	\$ 0.021631
***REP Charges	\$ 121.99	\$ 121.99	\$ 121.99	\$ 121.99
kWh	\$ 0.050308	\$ <del>0.052932</del>	\$ <del>0.052871</del>	\$ 0.052928
CEHE@1000kWh Month	\$ 54.70	\$ <del>57.86</del>	\$ <del>57.78</del>	\$ 57.83
Total Bill	\$ 176.69	\$ <del>179.85</del>	\$ <del>179.77</del>	\$ 179.82

\*<https://ftp.puc.texas.gov/public/puct-info/industry/electric/rates/RESrate/rate23/Dec23Rates.pdf>  
 \*\*Added 1.29 for DCRF 9/1 increase to REP Charges

Current		
TDU as a % of total bill		
	31%	32%
Proposed	\$	%
TDU Increase	\$ <del>3.16</del>	6%
Total Bill Increase	\$ <del>2.36</del>	1.8%
	Current	Proposed
TDU Base and TC5	\$ 30.58	\$ <del>32.95</del>
	% Change	
Base & TC5 / Total TDU	4.3%	
Proposed - ERRATA 3		
	\$	%
TDU Increase	\$ 3.13	6%
Total Bill Increase	\$ 2.33	1.8%
	Current	Proposed
TDU Base and TC5	\$ 30.58	\$ 32.92
	% Change	
Base & TC5 / Total TDU	4.3%	

see Item 240 in Docket No. 56211 for ERRATA 2 filed 5/22/2024



**Residential Bill impact - TC5 to \$0 during 2024**

CEHE Charges	Current	Proposed	ERRATA 2	ERRATA 3
Customer Charge	\$ 2.30	\$ <del>2.16</del>	\$ <del>2.12</del>	\$ <b>2.11</b>
Metering Charge	\$ 2.09	\$ <del>2.77</del>	\$ 2.79	\$ 2.79
Distribution System Charge	\$ 0.020314	\$ <del>0.026100</del>	\$ <del>0.026040</del>	\$ <b>0.026100</b>
Transition Charge 5	\$ 0.001916	\$ -	\$ -	\$ -
Nuclear Decommissioning Charge	\$ 0.000003	\$ 0.000013	\$ 0.000013	\$ 0.000013
Energy Efficiency Cost Recovery Factor (EECRF)	\$ 0.000826	\$ 0.000826	\$ 0.000826	\$ 0.000826
Rate Case Expense Rider	\$ -	\$ 0.000050	\$ 0.000050	\$ 0.000050
Temp Emergency Electric Energy Facilities	\$ 0.002392	\$ 0.002392	\$ 0.002392	\$ 0.002392
Distribution Cost Recovery Factor (9/1/2024)	\$ 0.003963	\$ -	\$ -	\$ -
Transmission Cost Recovery Factor (Annualized)	\$ 0.020894	\$ <del>0.021635</del>	\$ <del>0.021633</del>	\$ <b>0.021631</b>
*,**REP Charges	\$ 121.99	\$ <del>121.99</del>	\$ <del>121.99</del>	\$ <b>121.99</b>
kWh	\$ 0.050308	\$ <del>0.051016</del>	\$ <del>0.050955</del>	\$ <b>0.051012</b>
CEHE@1000kWh Month	\$ 54.70	\$ <del>55.95</del>	\$ <del>55.86</del>	\$ <b>55.91</b>
Total Bill	\$ 176.69	\$ <del>177.94</del>	\$ <del>177.86</del>	\$ <b>177.90</b>

\*<https://ftp.puc.texas.gov/public/puct-info/industry/electric/rates/RESrate/rate23/Dec23Rates.pdf>  
 \*\*Added 1.29 for DCRF 9/1 increase to REP Charges

Current		
TDU as a % of total bill	31%	
Proposed	\$	%
TDU Increase	\$ <del>1.25</del>	2%
Total Bill Increase	\$ <del>0.45</del>	0.7%
	Current	Proposed
TDU Base and TC5	\$ 30.58	\$ <del>31.03</del>
	% Change	
Base & TC5 / Total TDU	0.8%	
Proposed - ERRATA 3	\$	%
TDU Increase	\$ <b>1.21</b>	<b>2%</b>
Total Bill Increase	\$ <b>0.42</b>	<b>0.69%</b>
	Current	Proposed
TDU Base and TC5	\$ 30.58	\$ <b>31.00</b>
	% Change	
Base & TC5 / Total TDU	<b>0.76%</b>	
see Item 240 in Docket No. 56211 for ERRATA 2 filed 5/22/2024		



Revenue Requirement Summary (\$000s)

	Revenue Requirement		Revenue Under Existing Rates		ERRATA 2	ERRATA 3
1 Total	<del>3,772,500</del>	1			<del>3,769,635</del>	3,768,280
2 less TCRF related	<del>1,407,130</del>	2			<del>1,406,987</del>	1,406,821
3 net	<del>2,365,370</del>	3			<del>2,362,648</del>	2,361,459
4						
5 Base Revenues			<del>2,085,188</del>	4	2,084,871	2,084,871
6 current TCRF						
7 proposed TCRF						
8 DCRF from Docket 55993			220,146	5	220,146	220,146
9 Total			<del>2,305,334</del>	6	<del>2,305,017</del>	<del>2,305,017</del>
10						
11 Increase before impact of TC5			<del>60,036</del>	7	<del>57,631</del>	56,441

Notes

- 1 Schedule I-A-1, line 17
- 2 Schedule II-D-1, line 14
- 3 line 1 less line 2, also Schedule 1-A line 2
- 4 WP 1-A line 2
- 5 WP 1-A line 10
- 6 Line 4 plus line 5
- 7 Line 3 less line 7

**PUC DOCKET NO. 56211**

<b>APPLICATION OF CENTERPOINT</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>ENERGY HOUSTON ELECTRIC, LLC</b>	<b>§</b>	
<b>FOR AUTHORITY TO CHANGE RATES</b>	<b>§</b>	<b>OF TEXAS</b>

**DIRECT TESTIMONY**    ERRATA-3

**OF**

**RANDAL M. PRYOR**

**ON BEHALF OF**

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

JUNE  
**~~MARCH~~ 2024**

1 identified by the inspectors.

2 *Figure 10 - Damage Identified by Inspectors*



4

5 **Q. WHAT VOLUME OF REPAIRS HAS BEEN REQUIRED FOR DAMAGED**

6 **OR BROKEN FACILITIES UNDER THE POLE LIFE EXTENSION**

7 **PROGRAM?**

8 A. From January 1, 2019, to December 31, 2023, the Company inspected 469,411 ~~463,718~~

**Direct Testimony of Randal M. Pryor  
CenterPoint Energy Houston Electric, LLC**

376,756

poles. From those poles inspected, the Company treated ~~329,849~~ poles and replaced 11,469 poles. The Company also remediated 21,255 guy wires. As part of the Company's infrastructure hardening initiative, pole assessment and treatment have been accelerated, so approximately 10% of the Company's poles are assessed annually, on average, on a rolling 10-year cycle. As such, pole bracings, replacements, and facility repairs should increase accordingly. Additional third-party poles (for example AT&T poles) containing Company facilities that may merit replacement by third parties are also identified.

**Q. HOW IS THE POLE LIFE EXTENSION PROGRAM ADMINISTERED?**

A. The CenterPoint Houston administrator of the program is responsible for the management of the systematic inspection of all CenterPoint Houston distribution wood poles, the treatment of wood poles, and the bracing or replacement of wood poles with significant wood decay. The administrator ensures that work orders are issued, and construction completed in a timely manner for wood poles requiring bracing or replacement. The administrator manages the contracts with the contractors that perform the inspections, repairs, wood pole replacements and pole bracings. The administrator also coordinates any electrical construction on AT&T owned poles.

**B. URD Cable Life Extension Program**

**Q. WHAT IS THE URD CABLE LIFE EXTENSION PROGRAM?**

A. The program takes an innovative, proactive approach and technology to identify potential failures in aged underground cable and other URD components that do not meet specifications before failures actually occur. By identifying the risk of potential failures, CenterPoint Houston can make wise and prudent investments in

**Direct Testimony of Randal M. Pryor  
CenterPoint Energy Houston Electric, LLC**

1 **Figure 16 - MUG & Distribution Modernization Capital Reliability Improvements**  
 2 **(Millions)**

<b>Capital Reliability Improvements</b>	<b>Amount in Millions</b>					
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>TOTAL</b>
Overhead Reliability	23	32	72	174	272	<b>573</b>
Pole Replacement/Bracing	20	29	30	61	52	<b>193</b>
URD Replacement	31	21	30	50	36	<b>167</b>
Capacitor	5	6	6	7	7	<b>29</b>
MUG Rehabilitation	10	8	8	7	5	<b>38</b>
Street Lighting	22	26	27	27	29	<b>130</b>
IGSD Installations	7	1	5	12	13	<b>38</b>
<b>Total</b>	<b>118</b>	<b>123</b>	<b>177</b>	<b>338</b>	<b>413</b>	<b>1,168</b>

3 **Q. WHY WERE OVERHEAD RELIABILITY, INVESTMENTS IN POLES,**  
 4 **URD REPLACEMENT, CAPACITOR, MUG REHABILITATION,**  
 5 **STREET LIGHTING, AND IGSD'S NECESSARY?**

6 A. Reliability-related capital costs are primarily caused by the aging of the Company's  
 7 overhead distribution system and the programs needed to meet the reliability  
 8 standards required by the Public Utility Regulatory Act and the Commission's  
 9 Substantive Rules. For instance, the Company inspected approximately <sup>108,836</sup>~~96,242~~  
 10 poles in 2023. As a result of its pole life extension program, the Company replaced  
 11 or treated approximately <sup>89,845</sup>~~72,487~~ wooden poles in 2023 alone. In addition,  
 12 approximately 1,516 URD cable spans were replaced or treated to maintain service.  
 13 MUG facilities (Transformers, vaults, cables and switches) required replacement to  
 14 maintain service. Streetlights were replaced as necessary to maintain lighting  
 15 requirements. IGSDs are installed to enhance the switching capability of the

1 distribution system and thus improve reliability. Since January 1, 2019, the  
2 Company installed <sup>436</sup>~~437~~ IGSDs.

3 **Q. DOES CENTERPOINT HOUSTON HAVE CAPITAL IMPROVEMENT**  
4 **PROGRAMS THAT ARE DESIGNED TO MAINTAIN OR IMPROVE**  
5 **RELIABILITY?**

6 A. Yes. Programs to improve reliability often result in capital improvement. These  
7 programs include the Company's pole life extension program, its URD Cable Life  
8 Extension Program, and in 2022, the Company initiated a program aimed to  
9 enhance the Resiliency of the Distribution system. This resiliency program  
10 includes rebuilding circuits to new distribution standards, automating switches in  
11 commercial underground areas, hardening the feeder main system by converting  
12 overhead freeway crossings to underground, and installing fiber and  
13 communication equipment in dedicated underground areas to improve monitoring  
14 and control of underground assets. The distribution automation program has two  
15 parts: TripSaver® and IGSDs. Mr. Tumlinson will address the TripSaver®  
16 program and IGSD installations fall under my purview. Other witnesses discuss  
17 additional programs under their purview.

18 **Q. WHY IS INVESTMENT IN URD REPLACEMENT NECESSARY?**

19 A. Similar to overhead service rehabilitation, underground rehabilitation costs are  
20 primarily caused by the aging of the underground distribution system. CenterPoint  
21 Houston's facilities installed during the economic boom of the late 1970s and early  
22 1980s are aging, especially in residential areas served by underground URD  
23 facilities. As the underground cable approaches and exceeds 30 years of age, it is

**PUC DOCKET NO. 56211**

**APPLICATION OF CENTERPOINT                    § PUBLIC UTILITY COMMISSION  
ENERGY HOUSTON ELECTRIC, LLC           §  
FOR AUTHORITY TO CHANGE RATES       §                    OF TEXAS**

**DIRECT TESTIMONY - ERRATA 2 - ERRATA 3**

**OF**

**KRISTIE L. COLVIN**

**ON BEHALF OF**

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

**JUNE** **MAY** ~~**MARCH**~~ 2024

### LIST OF EXHIBITS

Exhibit KLC-01	Schedules Sponsored or Co-Sponsored by Kristie L. Colvin
Exhibit KLC-02	Business Records Affidavit
Exhibit KLC-03	<span>ERRATA 2</span> <span>ERRATA 3</span> Supported Rate Base
Exhibit KLC-04a	<span>ERRATA 2</span> <span>ERRATA 3</span> Adjustments to Test Year Amounts
Exhibit KLC-04b	<span>ERRATA 2</span> Rate Base Adjustments to Test Year Amounts – Explanations
Exhibit KLC-05	Supported Rate of Return
Exhibit KLC-06a	<span>ERRATA 2</span> <span>ERRATA 3</span> Requirement Adjustments to Test Year Amounts
Exhibit KLC-06b	Revenue Requirement Adjustments to Test Year Amounts – Explanations
Exhibit KLC-07	<span>ERRATA 2</span> <span>ERRATA 3</span> Retail and Wholesale Revenue Requirement
Exhibit KLC-08	Workers' Compensation Reserve Study ( <b>Confidential</b> )
Exhibit KLC-09	Auto and General Insurance Reserve Study ( <b>Confidential</b> )
Exhibit KLC-10	Capitalization Policy and Capitalization of Computer Software Policy
Exhibit KLC-11	General Expense and Reimbursement Policy
Exhibit KLC-12	AFUDC and Capitalized Interest Policy
Exhibit KLC-13	Construction Overhead Policy



**EXECUTIVE SUMMARY – ACCOUNTING**

**(KRISTIE L. COLVIN)**

I sponsor the books and records of CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston” or the “Company”), which have been prepared in accordance with the requirements of the Public Utility Commission of Texas (“Commission”). My testimony supports the Company’s cost of service for total transmission and distribution operations, including rate base. I sponsor the accounting schedules, and co-sponsor schedules related to affiliate expenses, salaries and benefits, and rate case expenses. I support the reasonableness and necessity of certain CenterPoint Energy Service Company, LLC (“Service Company”) Executive Management services, Accounting, and certain financial corporate support services. I also support the reasonableness and necessity of Financial Planning and Analysis (“FP&A”) and certain accounting transaction costs incurred directly by the Company.

My testimony and supporting materials:

- show the Company’s cost of service and rate base are reasonable and necessary;
- itemize and explain all test year adjustments to arrive at the final requested amounts reflected in my testimony, exhibits, and schedules;
- support an overall rate of return of 7.03% and return on investment of 850.3 851.2 ~~\$850.8~~ million to be included in the cost of service;
- demonstrate the reasonableness and necessity of certain Service Company Executive Management functions, the FP&A organization, and the Chief Accounting Officer (“CAO”) organization services provided to CenterPoint Houston; and
- demonstrate the reasonableness and necessity of certain accounting transaction costs incurred directly by the Company.

Direct Testimony of Kristie L. Colvin  
CenterPoint Energy Houston Electric, LLC

components are described below and can be seen on Schedule II-B and Exhibit KLC-03. In addition, I address adjustments to rate base below, which are shown on Exhibit KLC-04a with explanations of the adjustments provided on Exhibit KLC-04b.

**A. Electric Plant in Service**

**Q. PLEASE DESCRIBE EPIS.**

A. EPIS is the capitalized expenditure for assets used and useful for the transmission and distribution of electricity within the Company's service territory. The Company utilizes the FERC USOA, which categorizes EPIS assets as having an expected life in service of more than one year from the date of installation in the primary areas: intangible plant, transmission, distribution and general plant. The RFP schedules combine intangible plant, transmission and distribution into one category as "Original Cost of Plant" and separate communications equipment out of general plant for presentation purposes.

**Q. WHAT ARE THE EPIS AMOUNTS INCLUDED IN THIS FILING?**

A. For the adjusted test year, total EPIS for the Company was \$16.4 billion, excluding general and communication plant, as shown on Schedule II-B-1.

**Q. HAVE ANY AMOUNTS RELATED TO ASSET RETIREMENT OBLIGATIONS ("ARO") BEEN ADJUSTED FROM THE TEST YEAR EPIS BALANCE?**

A. Yes. ASC 410-20, *Asset Retirement Obligations*, requires the Company to estimate, recognize, and disclose the present value of future obligations related to the retirement or removal of assets. The Company is required to recognize the obligation as an ARO liability with a corresponding increase to the cost of the

Direct Testimony of Kristie L. Colvin  
CenterPoint Energy Houston Electric, LLC

1 related plant. Consistent with Docket Nos. 38339 and 49421, the Company has  
2 removed ARO from EPIS.

3 **Q. HAVE ANY OTHER ADJUSTMENTS BEEN MADE TO EPIS?**

4 A. Yes. There are two other adjustments to EPIS. First, as I previously mentioned,  
5 the Company has removed all test year compensation costs associated with the  
6 former CEO due to the former CEO's retirement and the resulting COO-CEO  
7 transition. This includes both capital and expense amounts. The other adjustment  
8 to EPIS is a minor reclass for Security Lighting plant to reflect test year amounts in  
9 the proper plant FERC Account. All EPIS adjustments are shown on Exhibit  
10 KLC-04a and Schedule II-B with explanations provided on Exhibit KLC-04b.<sup>5</sup>

**^ERRATA 2** **^ERRATA 3**

**^ERRATA 2**

11 **Q. HOW HAS EPIS BEEN FUNCTIONALIZED?**

12 A. The Company relies on the FERC USOA as guidance to functionalize the  
13 Company's EPIS. Consistent with prior rate cases, a significant portion of the  
14 Company's EPIS can be directly functionalized based on the FERC USOA;  
15 however, a small number of EPIS FERC accounts require additional examination  
16 to be properly functionalized. EPIS FERC Accounts 303 through 374 have been  
17 specifically mapped to the functions supported by those assets. FERC Accounts  
18 350 through 359 are primarily assigned to the transmission function, whereas FERC  
19 Accounts 360 through 374 have been specifically identified and functionalized to  
20 the distribution function, or to the metering function for FERC Account 370. 16  
21 TAC § 25.341 defines transmission and distribution to be "system and discretionary  
22 services associated with facilities" necessary to transform and move electricity

---

<sup>5</sup> Also See WP/II-B-1.

1 the test year, reflecting a five-year growth of approximately 94% over the  
 2 December 31, 2018, adjusted rate base of \$6.2 billion in the Company's last base  
 3 rate case, Docket No. 49421. The direct testimonies of the Company's witnesses  
 4 support the reasonableness of these investments, along with the capitalization  
 5 structure and costs of equity and long-term debt.

6 **Q. WHAT IS THE COMPANY'S REQUESTED RETURN ON RATE BASE**  
 7 **FOR THE TEST YEAR?**

8 A. Applying the Company's requested rate of return to the net rate base produces a  
 9 reasonable required return of \$850.8 million as shown on Schedule II-B of the RFP  
 10 and Exhibit KLC-03. <sup>^851.2</sup> <sup>^850.3</sup> **ERRATA 2.** **ERRATA 3.**

11 **V. OVERALL COST OF SERVICE**

12 **Q. HOW IS THIS SECTION OF YOUR TESTIMONY ORGANIZED?**

13 A. The major components of the Company's overall cost of service are: (A) O&M  
 14 expenses and A&G expenses; (B) depreciation and amortization; (C) other  
 15 expenses; (D) federal income taxes; (E) taxes other than federal income taxes;  
 16 (F) non-electric revenues; and (G) return on rate base. While I discussed the return  
 17 on rate base above, this portion of my testimony addresses the remaining  
 18 components. In the O&M/A&G section, I address adjustments to test year amounts  
 19 which are presented in the workpapers supporting the Company's RFP schedules.

20 **A. Operations and Maintenance/Administrative and General**  
 21 **Expenses**

22 **Q. WHAT COSTS ARE INCLUDED IN THE COMPANY'S TEST YEAR O&M**  
 23 **EXPENSES?**

1 II-D-2, the Company, therefore, increased FERC 9302 by \$6.6 million for this prior  
 2 period sales tax audit adjustment.<sup>80</sup>

3 **11. Non-Recoverable Costs**

4 **Q. PLEASE DESCRIBE THE ADJUSTMENT TO A&G TEST YEAR COSTS**  
 5 **FOR OTHER NON-RECOVERABLE COSTS.**

6 A. The adjustment for other non-recoverable costs removes \$169,082 in costs that are  
 7 not recoverable through rates under 16 TAC § 25.231(b)(2).<sup>81</sup>

8 **12. Uninsured Property Loss Reserves**

9 **Q. HAS THE COMPANY ADJUSTED ITS TEST YEAR COSTS FOR**  
 10 **UNINSURED PROPERTY LOSS EXPENSE IN FERC ACCOUNT 9240?**

11 A. Yes. The Company included a property self-insurance reserve adjustment of an  
 12 increase of ~~\$17.5~~ million. This adjustment is discussed in detail earlier in my  
 13 testimony.<sup>82</sup> ^17.4 When this adjustment is added to the existing test year accrual amount,  
 14 the result is an annual accrual of approximately \$22.3 million for uninsured  
 15 restoration costs in excess of \$100,000 per event.<sup>83</sup> Company witness Mr. Wilson  
 16 discusses the need for the revised insurance accrual in his direct testimony.

17 **Q. HOW HAS THE COMPANY'S UNINSURED PROPERTY LOSS EXPENSE**  
 18 **BEEN FUNCTIONALIZED?**

19 A. The Company's uninsured property loss expense has been functionalized to net  
 20 plant in service.

<sup>80</sup> See WP/II-D-2 for the sales tax refund adjustment.

<sup>81</sup> See WP/II-D-2 for the other non-recoverable adjustment.

<sup>82</sup> See Section IV.G 1. Insurance Reserves.

<sup>83</sup> See WP/II-D-2 for the property self-insurance reserve adjustment.

1 million, other electric revenue of \$61.4 million, and \$426.7 million in revenues  
 2 from the transmission of electricity of others, for a total unadjusted other electric  
 3 revenue of \$550.8 million in the test year. Other revenues are shown on Schedule  
 4 II-E-5.

5 **Q. ARE NON-ELECTRIC REVENUES INCLUDED IN THE TOTAL**  
 6 **ADJUSTED REVENUE REQUIREMENT SHOWN ON SCHEDULE I-A-1?**

7 A. Yes. Per the RFP Schedule II-E-5 instructions, non-electric revenues reduce the  
 8 Company's cost of service to arrive at the base revenue requirement. Exhibit  
 9 KLC-07 shows the cost of service net of other revenues.

10 **Q. DID THE COMPANY HAVE ANY GAIN OR LOSS ON THE SALE OF**  
 11 **LAND DURING THE TEST YEAR?**

12 A. No.

13 **Q. WHAT ARE MISCELLANEOUS SERVICE REVENUES?**

14 A. Miscellaneous service revenues recorded to FERC Account 4510 include connect  
 15 and reconnect fees, late fees, and right of way grants. The Company increased  
 16 discretionary service fees by \$3.0 million based on updated tariffs in this filing. An  
 17 adjustment of \$400,854 was also made to remove an out of period item. The  
 18 adjusted miscellaneous service revenues in the test year are \$32.3 million.<sup>102</sup>

19 **Q. HOW ARE MISCELLANEOUS SERVICE REVENUES**  
 20 **FUNCTIONALIZED?**

21 A. Miscellaneous service revenues are directly assigned as shown on RFP workpaper  
 22 II-E-5.1.1.

<sup>102</sup> See WP/ II-E-5.1 for adjustment to miscellaneous service revenues and WP/ II-E-5.1.1 for a breakout of the miscellaneous service revenues.

- 1 A. The total adjusted non-electric revenues included in the cost of service is \$73.3  
2 million as shown on Schedule II-E-5.

3 **VI. ERCOT WHOLESALE TRANSMISSION COST OF SERVICE**

- 4 **Q. HOW WERE THE TCOS SCHEDULES PREPARED FOR SECTION III OF**  
5 **THE RFP?**

- 6 A. Section III of the RFP represents all cost of service components that comprise the  
7 Company's Wholesale TCOS in ERCOT, including the return on transmission and  
8 properly assigned general capital investments, net of ADIT, and allowable expenses  
9 for O&M, A&G, depreciation and amortization, taxes other than income taxes, and  
10 income taxes. CenterPoint Houston has functionalized its transmission cost of  
11 service in accordance with 16 TAC §§ 25.191 – 25.203 and the RFP instructions.  
12 The Company's transmission cost of service is \$729.3 million, including \$355.5 <sup>^728.8</sup> <sup>^728.1</sup> <sup><355.0</sup>  
13 million of return on capital investment, is shown on Schedule II-A-E-1.

14 **VII. OTHER ACCOUNTING MATTERS**

15 **A. CLOUD COMPUTING**

- 16 **Q. PLEASE EXPLAIN CLOUD COMPUTING AND HOW IT IS BEING USED**  
17 **BY THE COMPANY.**

- 18 A. As discussed in Ronald W. Bahr's direct testimony, cloud computing is the delivery  
19 of IT products, including servers, storage, databases, networking, and software,  
20 over the internet or "cloud". The use of the cloud will grow over time as more  
21 companies move away from purchasing IT products or applications within their  
22 own premises. As Mr. Bahr explains, CNP's cloud computing arrangements  
23 ("CCAs") are primarily for infrastructure as a service ("IaaS") and software as a  
24 service ("SaaS"). Please refer to Mr. Bahr's testimony for further discussion of IaaS

Direct Testimony of Kristie L. Colvin  
CenterPoint Energy Houston Electric, LLC

1    **Q.    HAS THE COMPANY ADJUSTED ITS TEST YEAR COSTS FOR RATE**  
 2    **CASE EXPENSES IN FERC ACCOUNT 9280?**

3    A.    Yes. The rate case expense adjustment of \$51,860, as shown on Schedule II-E-4.4,  
 4    removes the Company's amortization of rate case expense related to EE because  
 5    these costs are recovered under the separate Rider EECRF.<sup>111</sup>

6    **IX. CONCLUSION**

7    **Q.    WHAT IS THE TOTAL AMOUNT REQUESTED IN THIS RATE FILING?**

8    A.    As shown on Schedule I-A-1 and in Exhibit KLC-07, the Company is requesting a  
 9    wholesale revenue requirement of \$697.3 million and a retail revenue requirement  
 10    of \$3.1 billion.    <sup>^ERRATA 2</sup> <sup>^ERRATA 3</sup>  
    <sup>^696.8</sup> <sup>^696.1</sup>

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

12   A.    Yes.

---

<sup>111</sup> See WP/II-D-2 for the EECRF rate case expense adjustment.



**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**TOTAL SUPPORTED RATE BASE**

	Per Books	Adjustments	Supported
Net Plant in Service	13,405,519,632	(14,796,485)	13,390,723,148
CWIP	1,067,127,699	(1,067,127,699)	-
Plant Held for Future Use	10,452,078	(4,192,438)	6,259,640
Accumulated Provisions	18,550,490	5,684,575	24,235,065
Accumulated Deferred Federal Income Taxes	(1,428,931)	157,952,565	(1,270,978,800)
Materials & Supplies	449,428	(64,222,156)	399,097,483
Cash Working Capital	62,592,133	62,597,133	12,226,038
Prepayments	35,532	(50,423,773)	70,490,227
Customer Deposits & Advances	(37,446,311)	7,106,170	(340,166)
Regulatory Liabilities	(933,697,180)	167,231,322	(766,465,858)
Regulatory Assets	1,034,911	(794,265,360)	241,937,930
<b>Total Retail Rate Base</b>	<b>\$ 13,684,429,934</b>	<b>\$ (1,584,685,094)</b>	<b>\$ 12,099,744,839</b>
	<b>^13,684,058,430</b>	<b>^(1,578,205,780)</b>	<b>^12,105,852,650</b>
<b>Rate of Return</b>	<b>^13,684,053,430</b>	<b>^(1,592,095,722)</b>	<b>^12,091,957,708</b>
	<b>7.03%</b>		
<b>Return</b>	<b>\$ 962,237,389</b>	<b>\$ (111,429,066)</b>	<b>\$ 850,808,323</b>
	<b>^962,211,266</b>	<b>^(110,973,465)</b>	<b>^851,237,801</b>
	<b>^962,210,914</b>	<b>^(111,950,153)</b>	<b>^850,260,761</b>

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**RATE BASE ADJUSTMENTS TO TEST YEAR AMOUNTS**  
 (Thousands of Dollars)

	<u>Adjustments</u>
<b>Gross Plant In Service (WP II-B-1, WP II-B-2, WP II-B-3)</b>	
1 Asset Retirement Obligation (ARO)	(27,178)
2 Reclass	-
3 Depreciation Study-Retirements	(6,603)
4 Other	(3,730)
<b>Total Gross Plant In Service (WP II-B-1, WP II-B-2, WP II-B-3)</b>	<u>(37,511)</u>
<b>Construction Work in Progress</b>	
5 WP II-B-4 Adj 1 CWIP	(1,067,128)
<b>Less Accumulated Depreciation</b>	
6 WP II-B-5 Adj 1 Depreciation Study - Retirements	6,603
7 WP II-B-5 Adj 2 Not Used	-
8 WP II-B-5 Adj 3 ARO	16,111
9 WP II-B-5 Adj 4 Not Used	-
10 WP II-B-5 Adj 5 Not Used	-
11 WP II-B-5 Adj 6 Reclass	-
<b>Total Less Accumulated Depreciation</b>	<u>22,714</u>
<b>Plant Held for Future Use</b>	
12 WP II-B-6 Adj 1 Land Not Used in Next 10 Years	(4,192)
<b>Accumulated Provisions</b>	
13 WP II-B-7 Adj 1 Claims Insurance Receivable	5,488
14 WP II-B-7 Adj 2 Accrued Benefit Restoration Cost	(5,278)
15 WP II-B-7 Adj 3 Harvey & Uri Reserve	5,674
<b>Total Accumulated Provisions</b> <span style="border: 1px solid black; padding: 2px;">&lt;16 WP II-B-7 Adj 5 Storm Reserve</span>	<u>5,884</u> <span style="border: 1px solid black; padding: 2px;">&lt;(199)</span>
	<span style="border: 1px solid black; padding: 2px;">5,685</span>
<b>Accumulated Deferred Federal Income Taxes</b>	
<span style="border: 1px solid black; padding: 2px;">17</span> 16 WP II-B-7 Adj 4 ADIT	150,314 <span style="border: 1px solid black; padding: 2px;">157,953</span>
<b>Materials and Supplies</b>	
<span style="border: 1px solid black; padding: 2px;">18</span> 17 WP II-B-8 Adj 1 Not Used	-

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**RATE BASE ADJUSTMENTS TO TEST YEAR AMOUNTS**  
(Thousands of Dollars)

		<u>Adjustments</u>
19	18 WP II-B-8 Adj 2 Transformer	<u>(64,222)</u> (50,331)
	<b>Total Materials and Supplies</b>	<u>(64,222)</u> (50,331)
<b>Cash Working Capital</b>		
20	19 Lead Lag Study	(50,743) (50,425)
		(50,424)
<b>Prepayments</b>		
21	20 WP II-B-10 Adj 1 Other Affiliates	(108)
22	21 WP II-B-10 Adj 2 TEEEF	(15,596)
23	22 WP II-B-10 Adj 3 Prepaid Pension Asset	53,031
24	23 WP II-B-10 Adj 4 Executive Benefits	(2,368)
	<b>Total Prepayments</b>	<u>34,958</u>
<b>Customer Deposits &amp; Advances</b>		
25	24 WP II-B-11 Adj 1 Customer Advances for Construction	37,013
26	25 WP II-B-11 Adj 3 EECRF	93
	<b>Total Customer Deposits &amp; Advances</b>	<u>37,106</u>
<b>Regulatory Liabilities</b>		
27	26 WP II-B-11 Adj 2 TC2 & TC3 Over Collection and ADFIT Credit	(95)
28	27 WP II-B-11 Adj 4 TCRF	78,684
29	28 WP II-B-11 Adj 5 Not Used	-
30	29 WP II-B-11 Adj 6 EDIT	443
31	30 WP II-B-11 Adj 7 Not Used	-
32	31 WP II-B-11 Adj 8 Pension BRP & Postretirement	82,209
33	32 WP II-B-11 Adj 9 Interest Rate Hedge Reclass	5,991
34	33 WP II-B-11 Adj 10 Not Used	-
35	34 WP II-B-11 Adj 11 Not Used	-
	<b>Total Regulatory Liabilities</b>	<u>167,231</u>
<b>Regulatory Assets</b>		
36	35 WP II-B-12 Adj 1 EECRF	(9,449)
37	36 WP II-B-12 Adj 2 ARO	(29,010)

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**RATE BASE ADJUSTMENTS TO TEST YEAR AMOUNTS**  
(Thousands of Dollars)

		<u>Adjustments</u>	
38	37 WP II-B-12 Adj 3 Margin Tax	(25,814)	
39	38 WP II-B-12 Adj 4 TEEEF ST Removal	(106,062)	
40	39 WP II-B-12 Adj 5 TEEEF LT Removal	(598,926)	
41	40 WP II-B-12 Adj 6 Tax Reg Assets	(41,562)	
42	41 WP II-B-12 Adj 7 LLTF Rate Case Expenses	(6)	
43	42 WP II-B-12 Adj 8 Reg Assets-TEEEF Other	9,527	
44	43 WP II-B-12 Adj 9 Bad Debt	(277)	
45	44 WP II-B-12 Adj 10 Rate Case Expense	(2,848)	
46	45 WP II-B-12 Adj 11 <del>Not Used</del> LLTF Property Tax	-	(1,278)
47	46 WP II-B-12 Adj 12 Hurricane Harvey	11,440	
	<b>Total Regulatory Assets</b>	<u>(792,987)</u>	<b>(794,265)</b>
	<b>Total Adjustment to Rate Base</b>	\$ (1,584,685)	<b>(1,578,206)</b>
	Rate of Return	7.03%	<b>(1,592,096)</b>
	<b>Adjustment to Return on Rate Base</b>	<u>\$ (111,429)</u>	<b>(110,973)</b>
			<b>(111,950)</b>

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**REVENUE REQUIREMENT ADJUSTMENTS TO TEST YEAR AMOUNTS**  
(Thousands of Dollars)

	<u>Adjustments</u>	
<b>O&amp;M Expenses</b>		
1 WP II-D-1 Adj 1 EECRF	\$ (40,518)	
2 WP II-D-1 Adj 2 Transportation Depreciation	654	
3 WP II-D-1 Adj 3 Bad Debt	1,579	
4 WP II-D-1 Adj 4 Affiliate Wages	111	
5 WP II-D-1 Adj 5 Direct Wages	9,952	7,031
6 WP II-D-1 Adj 6 Affiliate Employee Expense	(74)	
7 WP II-D-1 Adj 7 Affiliate Other	56	
8 WP II-D-1 Adj 8 Employee Expenses	(156)	
9 WP II-D-1 Adj 9 Asset Transfer	(187)	
10 WP II-D-1 Adj 10 Affiliate Weather Event	(122)	
11 WP II-D-1 Adj 11 Affiliate Benefit	(0)	303,930
12 WP II-D-1 Adj 12 TCOS	304,239	304,096
13 WP II-D-1 Adj 13 Affiliate Savings	0	
<b>Total O&amp;M Adjustments</b>	<u>275,534</u>	272,470
		272,305
<b>A&amp;G Expenses</b>		
14 WP II-D-2 Adj 1 Energy Efficiency	(849)	
15 WP II-D-2 Adj 2 Transportation Depreciation	21	
16 WP II-D-2 Adj 3 Affiliate Benefit	(4,317)	
17 WP II-D-2 Adj 4 Affiliate Wages	(10,715)	
18 WP II-D-2 Adj 5 Direct Wages	436	384
19 WP II-D-2 Adj 6 Benefits	(11,347)	
20 WP II-D-2 Adj 7 Rate Case Exclusions	(169)	
21 WP II-D-2 Adj 8 Employee Expense	(8)	
22 WP II-D-2 Adj 9 Property Self-Insurance Reserve	17,486	17,446
23 WP II-D-2 Adj 10 Workers' Compensation	(2,060)	
24 WP II-D-2 Adj 11 Not Used	-	
25 WP II-D-2 Adj 12 Auto & General Reserve	2,755	
26 WP II-D-2 Adj 13 Asset Transfer	(155)	
27 WP II-D-2 Adj 14 Affiliate Employee Expense	(1,164)	
28 WP II-D-2 Adj 15 Affiliate Other	(1)	
29 WP II-D-2 Adj 16 Affiliate Weather Event	(18)	
30 WP II-D-2 Adj 17 Prior Period	2,390	
31 WP II-D-2 Adj 18 Affiliate Savings	268	
32 WP II-D-2 Adj 19 Sales Tax Refund	6,628	
<b>Total A&amp;G Adjustments</b>	<u>(819)</u>	(870)
		(910)

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**REVENUE REQUIREMENT ADJUSTMENTS TO TEST YEAR AMOUNTS**  
(Thousands of Dollars)

	<u>Adjustments</u>	
<b>Depreciation &amp; Amortization, and Other Expenses</b>		
33 WP II-E-1 Adj 1 Not Used	-	
34 WP II-E-1 Adj 2 Depreciation Annualization	38,424	
35 WP II-E-1 Adj 3 Remove Annualization for Trans Depr	(721)	
36 WP II-E-1 Adj 4 Not Used	-	
37 WP II-E-1 Adj 5 Not Used	-	
38 WP II-E-1 Adj 6 Not Used	-	
39 WP II-E-1 Adj 7 Reclass	-	
40 WP II-E-4 Adj 1 Interest Other	14,572	
41 WP II-E-4.1 Adj 1 Expedited Switches	(171)	
42 WP II-E-4.1 Adj 2 Harvey	(5,294)	
43 WP II-E-4.1 Adj 3 Ike Residual	476	
44 WP II-E-4.1 Adj 4 Pension PURA	(1,884)	
45 WP II-E-4.1 Adj 5 Smart Meter Texas	55	
46 WP II-E-4.1 Adj 6 Bad Debt	(75)	
47 WP II-E-4.1 Adj 7 Covid Deferral	1,621	
48 WP II-E-4.1 Adj 8 Load Management Program	597	
49 WP II-E-4.1 Adj 9 Hurricane Nicholas	10,105	
50 WP II-E-4.1 Adj 10 Winter Storm Uri	3,463	
51 WP II-E-4.1 Adj 11 Hurricane Laura	9,009	
52 WP II-E-4.1 Adj 12 LLTF	4,519	1,263
53 WP II-E-4.1 Adj 13 TEEF	(56,741)	
<b>Total Depreciation &amp; Amortization, and Other Expenses Adjustments</b>	<u>14,955</u>	14,699
<b>Taxes Other Than Income Taxes</b>		
54 WP II-E-2 Adj 1 Direct Wage	384	
55 WP II-E-2 Adj 2 Affiliate Other	(96)	
56 WP II-E-2 Adj 3 Ad Valorem Tax	17,808	
57 WP II-E-2 Adj 4 Municipal Franchise Tax	4,915	
58 WP II-E-2 Adj 5 Sales & Use Tax Adjustments	(8)	
59 WP II-E-2 Adj 6 EECRF	(140)	
<b>Total Taxes Other Than Income Taxes Adjustments</b>	<u>22,862</u>	
<b>Federal Income Tax</b>		
60 Various	3,503	3,583
<b>Total Adjustments to Revenue Requirement</b>	<u>\$ 316,035</u>	312,744
		312,366

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**TOTAL SUPPORTED REVENUE REQUIREMENT**

	<b>Retail</b>	<b>Wholesale</b>	<b>Total</b>
<b>Revenue Requirement</b>	<b>\$ 3,075,173,669</b>	<b>\$ 697,326,740</b>	<b>\$ 3,772,500,409</b>
	^3,072,186,026	^3,072,879,691	^696,755,404
		^696,094,011	^3,769,635,095
		105,863,939>	^3,768,280,037
<b>Cost of Service</b>			
O&M and Depreciation	1,840,376,679>	1,840,565,775>	1,843,161,105,880,374>
	433,227,331>	433,227,149,934,687>	433,227,149,934,723>
	268,281,009>	268,277,417>	268,281,61,304,004>
	76,303,706>	76,379,962>	76,311,61,300,412>
		56,090,774	56,090,774
		^56,104,514	^56,008,283
			<132,311,989
<b>Minus: Other Revenues</b>	\$ 41,273,710	\$ 32,003,060	\$ 73,276,770
<b>Return</b>	495,271,010>	495,702,953>	495,348,159
		355,460,163	355,460,163
		^355,534,848	^354,989,751
			<851,237,801
			<850,260,761
<b>Total Rate Base</b>	\$ 7,044,578,875	\$ 5,055,165,964	\$ 12,099,744,839
	^7,049,624,556	^5,056,228,094	^12,105,852,650
<b>Rate of Return</b>	^7,043,481,698	7.03%	^5,048,476,010
			.03%
			^12,091,957,708

**PUC DOCKET NO. 56211**

**APPLICATION OF CENTERPOINT           §       PUBLIC UTILITY COMMISSION**  
**ENERGY HOUSTON ELECTRIC, LLC       §**  
**FOR AUTHORITY TO CHANGE RATES   §                               OF TEXAS**

**DIRECT TESTIMONY**

<b>- ERRATA 3</b>
<b>-ERRATA 2</b>

**OF**

**JENNIFER K. STORY**

**ON BEHALF OF**

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

**JUNE** **MAY** **MARCH 2024**



1 My testimony and supporting schedules demonstrate that CenterPoint Houston's  
2 requested tax-related cost of service items are as shown in the table below:

3 **Table 1. Tax Related Cost of Service Components<sup>1</sup>**

<b>EXPENSES</b>		\$132.3 million
Federal Income Tax Expense	<del>\$132.4 million</del>	\$132.5 million
Texas Margin Tax Expense	\$27.5 million	
Property Tax Expense	\$126.8 million	
<b>RATE BASE</b>		
Accumulated Deferred Federal Income Taxes	(\$1.3) billion	
Regulatory Liability: Protected EDIT (TCJA)	(\$656.2) million	
Regulatory Liability: Protected EDIT (Pre TCJA)	(\$0.8) million	
Regulatory Asset: Unprotected EDIT (TCJA)	\$8.1 million	
Regulatory Asset: Medicare Part D Subsidy	\$11.0. million	

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<sup>1</sup> "EDIT" refers to Excess Deferred Income Taxes. "TCJA" refers to the Tax Cuts and Jobs Act of 2017.

**PUC DOCKET NO. 56211**

**APPLICATION OF CENTERPOINT  
ENERGY HOUSTON ELECTRIC, LLC  
FOR AUTHORITY TO CHANGE RATES**

§  
§  
§

**PUBLIC UTILITY COMMISSION  
  
OF TEXAS**

**DIRECT TESTIMONY---ERRATA-2 - ERRATA 3**

**OF**

**GREGORY S. WILSON**

**ON BEHALF OF**

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

**JUNE ~~MAY-MARCH~~ 2024**

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## LIST OF EXHIBITS

Exhibit GSW-1	Gregory S. Wilson Educational Background and Professional Experience
Exhibit GSW-2 <b>ERRATA 3</b>	Calculation of Recommended Accrual
Exhibit GSW-3	Major Property Damage Adjusted to Current Cost Levels
Exhibit GSW-4	Example of Loss Trending Methodology

1 reasonably anticipated and included in operating and maintenance  
 2 expenses, and are not paid or reimbursed by commercial insurance.  
 3 The commission will approve a self-insurance plan to the extent it  
 4 finds it to be in the public interest. In order to establish that the plan  
 5 is in the public interest, the electric utility must present a cost benefit  
 6 analysis performed by a qualified independent insurance consultant  
 7 who demonstrates that, with consideration of all costs,  
 8 self-insurance is a lower-cost alternative than commercial insurance  
 9 and the ratepayers will receive the benefits of the self insurance plan.  
 10 The cost benefit analysis shall present a detailed analysis of the  
 11 appropriate limits of self insurance, an analysis of the appropriate  
 12 annual accruals to build a reserve account for self insurance, and the  
 13 level at which further accruals should be decreased or terminated.

14 **Q. WHAT HAS THE COMMISSION PREVIOUSLY ESTABLISHED AS THE**  
 15 **PROPERTY INSURANCE EXPENSE AND RESERVE TARGET FOR**  
 16 **CENTERPOINT HOUSTON?**

17 A. In Docket No. 49421, the Commission set (1) an annual accrual of \$3.575 million  
 18 to provide for average annual expected losses from events where losses are greater  
 19 than \$100,000 and (2) an accrual of \$4.11 million annual for three years to achieve  
 20 a target reserve of \$6.55 million from a reserve deficit level of (\$5.79 million).

21 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.**

22 A. As shown on Exhibit GSW-2 to my direct testimony, I propose an annual accrual  
 23 of ~~\$22.34~~ **22.3** million and a new target property insurance reserve of \$16.7 million. The  
 24 accrual is composed of two elements. The first is \$10.6 million to provide for  
 25 average annual expected O&M losses from events where the O&M expense is  
 26 greater than \$100,000 and the loss is expected to be charged to the self-insurance  
 27 reserve. As I explain subsequently, the \$10.6 million annual accrual is calculated  
 28 using a Monte Carlo simulation run on the loss history of the Company. The second

11.7

is ~~\$11.74~~ million accrued annually for five years to achieve the target reserve of ~~018 41.819~~ \$16.7 million from the current reserve deficit level of ~~(\$42.984~~ million).

### III. SELF-INSURANCE RESERVE BACKGROUND

**Q. PLEASE STATE THE PURPOSE OF CENTERPOINT HOUSTON'S SELF-INSURANCE RESERVE AND EXPLAIN HOW IT WOULD OPERATE.**

A. The purpose of CenterPoint Houston's self-insurance reserve is to provide for accruals to be credited to a reserve account to cover occurrences resulting in T&D losses of more than \$100,000 in O&M expenses, as discussed in the testimony of Ms. Kristie L. Colvin.

Each year, an amount would be accrued in the self-insurance reserve to provide for losses expected to occur in the calendar year. In addition to this amount, an accrual would be made to raise the self-insurance reserve to a level that would serve as a financial buffer in the event that actual losses exceed the accrued amount of expected annual losses.

**Q. WHAT HAPPENS IF THE ANNUAL AGGREGATE LOSSES DO NOT EQUAL THE AMOUNT ACCRUED IN ANY GIVEN YEAR?**

A. If the annual aggregate losses exceed the amount accrued in any given year, the remaining reserve, if sufficient, would be drawn upon to provide the needed additional amounts. If the remaining reserve is insufficient, the losses will still be booked to the self-insurance reserve, resulting in the reserve having a negative value. If the annual aggregate losses are less than the amount accrued for that

1 Q. WHAT IS THE BALANCE OF THE RESERVE?

2 A. As shown on Rate Filing Package Schedule II-B-7, the adjusted balance of the  
 3 reserve is a deficit balance of approximately ~~(\$42,081,000)~~ **---048 41,819,000** as of December 31,  
 4 2023.

5      **Q.      WHAT ARE THE INDIVIDUAL COMPONENTS OF THE ANNUAL**  
6      **ACCRUAL TO THE SELF-INSURANCE RESERVE INDICATED BY**  
7      **YOUR ANALYSIS?**

8 A. The annual amount to be accrued each year is ~~\$22.34~~ <sup>22.3</sup> million, which is composed  
9 of two elements. First, there is \$10.6 million each year to provide for the year's  
10 annual expected covered losses from property loss event damages. Second, there  
11 should be an accrual of ~~\$11.74~~ <sup>11.7</sup> million each year for five years to provide for the  
12 variation in annual losses from year to year by building the total self-insurance  
13 reserve from the test year balance of approximately ~~(\$42.081-million)~~ <sup>---018 41.819</sup> up to the  
14 \$16.7 million level. I have recommended a five-year period to be consistent with  
15 the Company's treatment of regulatory asset requests, as well as to balance the  
16 interests of future ratepayers versus past ratepayers.

17 Q. ARE THESE CALCULATIONS PREPARED IN ACCORDANCE WITH  
18 GENERALLY ACCEPTED ACTUARIAL PROCEDURES?

19 A. Yes. The process reflects generally accepted actuarial procedures. However, I have  
20 made certain adjustments to reflect the nature of ratemaking for public utilities. For  
21 example, it would be customary to project losses to the anticipated cost level of the  
22 future time period during which rates will be in effect. Because of the historical  
23 test year approach to utility ratemaking and the adjustment of expense items based

CenterPoint Houston  
Calculation of Recommended Accrual

Expected Annual Storm Loss	10,600,000	
Incremental Amount to Build Storm Reserve	<del>11,740,000</del>	<b>11,700,000</b>
Total Annual Accrual	<del>22,340,000</del>	<b>22,300,000</b>

**PUC DOCKET NO. 56211**

**APPLICATION OF CENTERPOINT                    §     PUBLIC UTILITY COMMISSION**  
**ENERGY HOUSTON ELECTRIC, LLC**  
**FOR AUTHORITY TO CHANGE RATES           §                    OF TEXAS**  
  
**§**

**DIRECT TESTIMONY – ERRATA ~~23~~**

**OF**

**JOHN R. DURLAND**

**ON BEHALF OF**

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

**~~MAY~~JUNE 2024**



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### **LIST OF EXHIBITS**

Exhibit JRD-1	Educational and Professional Experience
Exhibit JRD-2	Summary of Adjustments to Test Year Billing Determinants
Exhibit JRD-3 – ERRATA 23	Class Allocation Summary
Exhibit JRD-4 – ERRATA 23	Proof of Revenue Statement
Exhibit JRD-5 – ERRATA 23	Rate Design Summary
Exhibit JRD-6	Rate Design Summary – Discretionary Service Charges
Exhibit JRD-7	Non-Rate Tariff Change Summary
Exhibit JRD-8 – ERRATA 23	Redlined Revisions to Retail Delivery Tariff
Exhibit JRD-9 – ERRATA 23	Tariff for Retail Delivery Service (Annotated)
Exhibit JRD-10 – ERRATA 23	Tariff for Wholesale Delivery Service (Annotated)
Exhibit JRD-11	Constellation Energy Generation, LLC – Nuclear Decommission Notice

1   **Q.    ARE THE ALLOCATIONS AND ALLOCATION METHODOLOGIES**  
2       **DESCRIBED ABOVE REASONABLE AND CONSISTENT WITH THE**  
3       **APPLICABLE RFP REQUIREMENTS?**

4   A.   Yes, these methodologies are reasonable and are consistent with the Commission's  
5       RFP instructions.

6   C.       **Adjustments to Rate Class Revenue Requirements**

7   **Q.    HAVE YOU MADE ANY ADJUSTMENTS TO THE RATE CLASS**  
8       **REVENUE REQUIREMENTS CALCULATED IN THE CLASS COST OF**  
9       **SERVICE STUDY?**

10  A.   No.   The total amounts allocated to each customer class are shown in  
11       Schedule II-I-Total.

12  **Q.    HOW DID YOU ALLOCATE THE REVENUES RESULTING FROM**  
13       **DISCRETIONARY SERVICE CHARGES AND FROM OTHER**  
14       **REVENUES?**

15  A.   Revenues from Discretionary Service Charges and from Other Revenue are  
16       deducted from the cost of service to arrive at the Company's proposed revenue  
17       requirement. These revenues are allocated on a cost-causation basis, as shown on  
18       Schedule I-A-1, sponsored by Ms. Colvin. Thereafter, the cost was allocated to the  
19       rate classes using the ratios provided in Schedule II-I-2 Class Ratios. See my  
20       Exhibit JRD-3 – ERRATA 23, which summarizes the cost allocations performed.

**Figure 1**

<u>Rate Class Description</u>	<u>Number of Customers</u>	<u>Present Revenues<sup>1</sup></u> (a)	<u>Proposed Revenues</u> (b)	<u>Change</u> (c) = (b)-(a)	<u>Change Pct</u> (d)/(a)
Residential	2,455,309	\$ 901,815,248	\$ 973,130,757	\$ 71,315,509	7.9%
Secondary <= 10kva	155,776	\$ 25,410,421	\$ 23,000,757	\$ (2,409,664)	-9.5%
Secondary > 10Kva	151,170	\$ 578,913,742	\$ 520,998,933	\$ (57,914,809)	-10.0%
Primary	1,047	\$ 41,515,394	\$ 53,126,721	\$ 11,611,328	28.0%
Transmission	233	\$ 27,090,086	\$ 24,002,755	\$ (3,087,331)	-11.4%
Miscellaneous Lighting	10,660	\$ 5,812,803	\$ 3,040,963	\$ (2,771,839)	-47.7%
Lighting	5,894	\$ 70,222,868	\$ 68,591,816	\$ (1,631,053)	-2.3%
Retail Electric Delivery Revenues	2,779,849	\$ 1,650,780,562	\$ 1,665,892,702	\$ 15,112,141	0.9%
Wholesale Transmission Revenue		\$ 654,236,818	\$ 696,755,404	\$ 42,518,586	6.5%
Total Cost of Service		\$ 2,305,017,380	\$ 2,362,648,106	\$ 57,630,726	2.5%

<sup>1</sup> Test Year revenues have been adjusted to normalize billing units and adjust for DCRF

\* See schedule IV-I-7 TCRF for TCRF costs

For the Current CCOSS, Test Year O&M expenses, depreciation expenses, and taxes were allocated, and then other revenue was subtracted to derive the current dollar return by class. Current dollar return was then divided by the allocated rate base to derive a percentage return by class. Percentage return by class was then divided by the total company return to determine relative rates of return. For the Proposed CCOSS, CenterPoint Houston's proposed total company percentage return ("unity return") is multiplied by the rate base allocated to each class to determine the associated dollar return by class. The O&M expenses, depreciation expenses, and taxes allocated to each class are then added to the dollar return for each class to develop the cost of service and revenue requirement by class at the proposed rate level. Schedule II-I-Class Allocation Summary of the rate filing package provides the summary of the cost of service analysis, and Schedule II-I-Class Factors provides the class allocation factors.

**Figure 1**

<u>Rate Class Description</u>	<u>Number of Customers</u>	<u>Present Revenues<sup>1</sup></u> (a)	<u>Proposed Revenues</u> (b)	<u>Change</u> (c) = (b)-(a)	<u>Change Pct</u> (d)/(a)
Residential	2,455,309	\$ 901,815,248	\$ 974,971,423	\$ 73,156,175	8.1%
Secondary <= 10kva	155,776	\$ 25,410,421	\$ 23,022,245	\$ (2,388,176)	-9.4%
Secondary > 10Kva	151,170	\$ 578,913,742	\$ 521,667,018	\$ (57,246,724)	-9.9%
Primary	1,047	\$ 41,515,394	\$ 50,967,061	\$ 9,451,668	22.8%
Transmission	233	\$ 27,090,086	\$ 24,002,130	\$ (3,087,956)	-11.4%
Miscellaneous Lighting	10,660	\$ 5,812,803	\$ 3,125,641	\$ (2,687,162)	-46.2%
Lighting	5,654	\$ 70,222,868	\$ 67,609,051	\$ (2,613,818)	-3.7%
<b>Retail Electric Delivery Revenues</b>	<b>2,779,849</b>	<b>\$ 1,650,780,562</b>	<b>\$ 1,665,364,569</b>	<b>\$ 14,584,007</b>	<b>0.9%</b>
<b>Wholesale Transmission Revenue</b>		<b>\$ 654,236,818</b>	<b>\$ 696,094,011</b>	<b>\$ 41,857,193</b>	<b>6.4%</b>
<b>Total Cost of Service</b>		<b>\$ 2,305,017,380</b>	<b>\$ 2,361,458,580</b>	<b>\$ 56,441,200</b>	<b>2.4%</b>

<sup>1</sup> Test Year revenues have been adjusted to normalize billing units and adjust for DCRF

\* See schedule IV-J-7 TCRF for TCRF costs

For the Current CCOSS, Test Year O&M expenses, depreciation expenses, and taxes were allocated, and then other revenue was subtracted to derive the current dollar return by class. Current dollar return was then divided by the allocated rate base to derive a percentage return by class. Percentage return by class was then divided by the total company return to determine relative rates of return. For the Proposed CCOSS, CenterPoint Houston's proposed total company percentage return ("unity return") is multiplied by the rate base allocated to each class to determine the associated dollar return by class. The O&M expenses, depreciation expenses, and taxes allocated to each class are then added to the dollar return for each class to develop the cost of service and revenue requirement by class at the proposed rate level. Schedule II-I-Class Allocation Summary of the rate filing package provides the summary of the cost of service analysis, and Schedule II-I-Class Factors provides the class allocation factors.

1 Each rate class schedule, except for Lighting Services, includes a Customer Charge,  
2 Metering Charge, Distribution System Charge, and Transmission System Charge.  
3 The current and proposed revenue by rate class and the charges by rate class are  
4 shown in Exhibits JRD-4 – ERRATA 23 and JRD-5 – ERRATA 23, respectively.

5 The Customer Charge and Metering Charge include costs that are incurred  
6 regardless of system usage. The Company bills the Customer Charge and Metering  
7 Charge on a per customer and meter basis, respectively per month to all rate classes  
8 except Lighting Services.

9 The basis for the Distribution and Transmission Charges varies among the  
10 different rate classes. For the Residential and Secondary Service Less Than or  
11 Equal to 10 kVA rate schedules, both the Transmission and Distribution Delivery  
12 Charges are recovered on a per kWh basis. For the Secondary Service Greater Than  
13 10 kVA rate schedule, the Distribution Delivery Charge will be based on Billing  
14 Demand, using NCP kVA. With respect to the Primary Service rate schedule,  
15 Distribution Delivery Charges will be based on the Billing kVA, which is defined  
16 as NCP kVA for the current billing month or 80% of the highest monthly NCP kVA  
17 established in the 11 months preceding the current billing month (“80% Ratchet”).  
18 Seasonal agriculture customers are exempted from the 80% Ratchet. For  
19 Transmission Service, the Distribution Delivery Charges will be based upon 4CP  
20 kVA. For the Secondary Service Greater Than 10 kVA and the Primary Service  
21 rate schedules, the Transmission Charge billing determinant depends upon the type  
22 of meter attributed to the customer. For those customers classified as having IDR  
23 meter service using a traditional IDR meter or an IDR capable AMS meter, the

1     **B.                   Rate Schedules**

2     **Q.     PLEASE DESCRIBE THE RESIDENTIAL SERVICE RATE SCHEDULE.**

3     A.     This rate schedule is available to retail customers requesting delivery service for  
4           residential purposes. The rate schedule sets forth the Monthly Rate (composed of  
5           the Customer Charge, the Metering Charge, the Distribution System Charge, and  
6           the Transmission System Charge), the service riders that may apply to the rate  
7           schedule, and the Company's general terms of service under this rate schedule.

8     **Q.     PLEASE DESCRIBE ANY PROPOSED CHANGES TO THE DELIVERY**  
9           **SYSTEM CHARGES IN THE RESIDENTIAL SERVICE RATE**  
10          **SCHEDULE.**

11    A.     CenterPoint Houston is proposing to update the delivery system charges in the  
12           Residential Service rate schedule to reflect the revenue requirement by function as  
13           described in the Proposed CCROSS. The proposed Residential Service rate schedule  
14           is included in Exhibit JRD-9 – ERRATA 23.

15    **Q.     PLEASE DESCRIBE THE SECONDARY SERVICE LESS THAN OR**  
16          **EQUAL TO 10 KVA RATE SCHEDULE.**

17    A.     This rate schedule is available to retail customers requesting delivery service for  
18           non-residential purposes with demands less than or equal to 10 kVA and to retail  
19           customers requesting unmetered services other than Lighting Services. The rate  
20           schedule sets forth the Monthly Rate (composed of the Customer Charge, the  
21           Metering Charge, and the Distribution System Charge and Transmission System  
22           Charge), the service riders that may apply to the rate schedule, and the Company's  
23           general terms of service under this rate schedule.

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 – ERRATA 23.

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 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 – ERRATA 23.



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 – ERRATA 23 is a redline showing the proposed revisions to  
23 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 ~~\$696,755,404~~696,094,011 by  
10           the year 2024 ERCOT 4CP, 83,557 addressed in Docket No. 56050<sup>21</sup>, for a  
11           Wholesale Transmission Service Rate of ~~\$8,338.6992~~8,330.7837 per MW. This  
12           proposed change for the Wholesale Delivery Tariff is shown in Exhibit JRD-10 –  
13           ERRATA 23.

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

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

---

<sup>21</sup> 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 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 – Errata ~~23~~.

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.

PUBLIC UTILITY COMMISSION OF TEXAS  
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
II-I-CLASS ALLOCATION SUMMARY  
TEST YEAR END DATE 12/31/2023  
DOCKET NO. 56211  
SPONSOR: J. DURLAND

Line No.	Description	Total	Residential	Secondary <= 10 KVA	Secondary > 10 KVA	Primary Voltage	Transmission Voltage	Lighting SLS	Lighting MLS	Wholesale DWS
<b>PROPOSED</b>										
1	Base – TCRF Revenue	3,072,186,026	1,663,242,180	32,147,247	930,031,936	94,361,377	281,668,594	67,609,051	3,125,641	
2	Other Revenue	41,273,710	24,174,088	387,218	12,813,588	1,116,759	1,298	2,700,190	80,570	
3	<b>Electric Operating Revenue</b>	<b>3,113,459,736</b>	<b>1,687,416,268</b>	<b>32,534,465</b>	<b>942,845,525</b>	<b>95,478,135</b>	<b>281,669,892</b>	<b>70,309,241</b>	<b>3,206,210</b>	
4	Revenue Deductions	2,618,188,726	1,395,552,619	27,027,022	790,818,862	82,391,854	280,774,569	39,339,863	2,283,937	
5	<b>Net Income from Operations</b>	<b>495,271,010</b>	<b>291,863,649</b>	<b>5,507,443</b>	<b>152,026,663</b>	<b>13,086,281</b>	<b>895,323</b>	<b>30,969,378</b>	<b>922,273</b>	
6	Rate Base	7,043,481,698	4,150,730,066	78,323,930	2,162,042,591	186,106,149	12,732,806	440,430,072	13,116,082	
7	% Rate of Return	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%	
8	Relative Rate of Return	100%	100%	100%	100%	100%	100%	100%	100%	
9										
10										
11	<b>CURRENT ADJUSTED</b>									
12	Base – TCRF Revenue – DCRF Revenue	2,182,601,161	1,105,732,950	30,266,185	788,354,825	61,150,501	121,061,028	70,312,452	5,723,219	
13	Other Revenue	38,277,680	22,428,618	360,631	11,875,419	1,034,842	1,298	2,502,097	74,775	
14	<b>Electric Operating Revenue</b>	<b>2,220,878,840</b>	<b>1,128,161,568</b>	<b>30,626,816</b>	<b>800,230,244</b>	<b>62,185,343</b>	<b>121,062,327</b>	<b>72,814,549</b>	<b>5,797,994</b>	
15	Revenue Deductions	1,778,304,768	914,746,105	23,831,127	619,068,616	57,148,458	117,974,437	42,489,147	3,046,878	
16	<b>Net Income from Operations</b>	<b>442,574,072</b>	<b>213,415,463</b>	<b>6,795,688</b>	<b>181,161,628</b>	<b>5,036,886</b>	<b>3,087,890</b>	<b>30,325,401</b>	<b>2,751,116</b>	
17	Rate Base	7,043,481,698	4,150,730,066	78,323,930	2,162,042,591	186,106,149	12,732,806	440,430,072	13,116,082	
18	% Rate of Return	6.28%	5.14%	8.68%	8.38%	2.71%	24.25%	6.89%	20.98%	
19	Relative Rate of Return	100%	82%	138%	133%	43%	386%	110%	334%	
20										
21										
22	<b>PROPOSED VS CURRENT</b>									
23	Base + TCRF Revenue - \$	\$ 889,584,865	\$ 567,509,230	\$ 1,881,062	\$ 141,677,111	\$ 33,210,876	\$ 160,607,566	\$ (2,703,401)	\$ (2,597,579)	
24	Base + TCRF Revenue - %	40.76%	50.42%	6.22%	17.97%	54.31%	132.67%	-3.84%	-45.39%	
25	Other Revenue - \$	\$ 2,996,031	\$ 1,746,470	\$ 26,587	\$ 938,170	\$ 81,916	\$ -	\$ 198,093	\$ 5,795	
26	Other Revenue - %	7.83%	7.78%	7.37%	7.90%	7.92%	0.00%	7.92%	7.75%	
27	Total Revenue - \$	\$ 892,580,896	\$ 569,254,700	\$ 1,907,649	\$ 142,615,281	\$ 33,292,792	\$ 160,607,566	\$ (2,505,308)	\$ (2,591,784)	
28	Total Revenue - %	40.19%	49.57%	6.23%	17.82%	53.54%	132.67%	-3.44%	-44.70%	

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PROOF OF REVENUE STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2023

TOTAL REVENUE (\$)

Sponsor: J. Durland

	Current Adjusted Revenue	Target Proposed Revenue	Actual Proposed Revenue	Amount Increase/Decrease	Percent
Residential	\$ 901,815,248	\$ 974,971,423	\$ 974,971,423	\$ 73,156,175	8.11%
Secondary <=10 kVa	\$ 25,410,421	\$ 23,022,245	\$ 23,022,245	\$ (2,388,176)	-9.40%
Secondary > 10 kVa	\$ 578,913,742	\$ 521,667,018	\$ 521,667,018	\$ (57,246,724)	-9.89%
Primary	\$ 41,515,394	\$ 50,967,061	\$ 50,967,061	\$ 9,451,668	22.77%
Transmission	\$ 27,090,086	\$ 24,002,130	\$ 24,002,130	\$ (3,087,956)	-11.40%
Street Lighting	\$ 70,222,868	\$ 67,609,051	\$ 67,609,051	\$ (2,613,818)	-3.72%
Miscellaneous Lighting	\$ 5,812,803	\$ 3,125,641	\$ 3,125,641	\$ (2,687,162)	-46.23%
<b>Total Revenue Requirement</b> (Includes DCRF)	<b>\$ 1,650,780,562</b>	<b>\$ 1,665,364,569</b>	<b>\$ 1,665,364,569</b>	<b>\$ 14,584,007</b>	<b>0.88%</b>
EECRF **	\$ 52,327,439	\$ 52,327,439	\$ 52,327,439	\$ -	0.00%
Franchise Fees	\$ (3,000,589)	\$ (2,764,163)	\$ (2,764,163)	\$ 236,426	7.88%
CMC	\$ -	\$ -	\$ -	\$ -	0.00%
TCRF	\$ 531,820,599	\$ 703,410,729	\$ 703,410,729	\$ 171,590,130	32.26%
TEEEF	\$ 139,567,298	\$ 139,567,298	\$ 139,567,298	\$ -	0.00%
TC5*	\$ 153,345,602	\$ 153,345,602	\$ 153,345,602	\$ -	0.00%
IRA	\$ -	\$ -	\$ -	\$ -	0.00%
Nuclear Decommissioning Fee*	\$ 197,708	\$ 773,292	\$ 773,292	\$ 575,584	291.13%
RCE	\$ -	\$ 3,009,088	\$ 3,009,088	\$ 3,009,088	0.00%
<b>Total Riders</b>	<b>\$ 874,258,056</b>	<b>\$ 1,049,669,284</b>	<b>\$ 1,049,669,284</b>	<b>\$ 175,411,228</b>	<b>20.06%</b>
<b>Sub-Total Revenue</b>	<b>\$ 2,525,038,618</b>	<b>\$ 2,715,033,853</b>	<b>\$ 2,715,033,853</b>	<b>\$ 189,995,235</b>	<b>7.52%</b>
Other Revenue	\$ 70,280,739	\$ 73,276,770	\$ 73,276,770	\$ 2,996,031	4.26%
<b>Total Revenue</b>	<b>\$ 2,595,319,357</b>	<b>\$ 2,788,310,623</b>	<b>\$ 2,788,310,623</b>	<b>\$ 192,991,266</b>	<b>7.44%</b>

\* The revenue amounts shown for these charges reflect the amounts approved in the specific Dockets they were approved in. These riders are not the subject of this rate case and the charges within each rider remain the same.

\*\* This reflects total program costs per Substantive Rule 25.181(f)(4), that any base rate case filed shall not be set to recovery energy efficiency costs.

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
 PROOF OF REVENUE STATEMENT  
 FOR THE YEAR ENDING DECEMBER 31, 2023

TOTAL REVENUE (\$)

Sponsor: J. Durland

	Current Adjusted Revenue	Target Proposed Revenue	Actual Proposed Revenue	Amount Increase/Decrease	Percent
Residential	\$ 775,716,491	\$ 974,971,423	\$ 974,971,423	\$ 199,254,932	25.69%
Secondary <=10 kVa	\$ 22,106,778	\$ 23,022,245	\$ 23,022,245	\$ 915,467	4.14%
Secondary > 10 kVa	\$ 511,687,939	\$ 521,667,018	\$ 521,667,018	\$ 9,979,080	1.95%
Primary	\$ 36,140,809	\$ 50,967,061	\$ 50,967,061	\$ 14,826,252	41.02%
Transmission	\$ 26,560,158	\$ 24,002,130	\$ 24,002,130	\$ (2,558,028)	-9.63%
Street Lighting	\$ 56,045,362	\$ 67,609,051	\$ 67,609,051	\$ 11,563,688	20.63%
Miscellaneous Lighting	\$ 2,376,618	\$ 3,125,641	\$ 3,125,641	\$ 749,022	31.52%
<b>Sub-Total</b>	<b>\$ 1,430,634,154</b>	<b>\$ 1,665,364,569</b>	<b>\$ 1,665,364,569</b>	<b>\$ 234,730,414</b>	<b>16.41%</b>
<b>Total Revenue Requirement</b>	<b>\$ 1,430,634,154</b>	<b>\$ 1,665,364,569</b>	<b>\$ 1,665,364,569</b>	<b>\$ 234,730,414</b>	<b>16.41%</b>
TCRF	\$ 531,820,599	\$ 703,410,729	\$ 703,410,729	\$ 171,590,130	32.26%
RCE	\$ -	\$ 3,009,088	\$ 3,009,088	\$ 3,009,088	0.00%
EECRF **	\$ 52,327,439	\$ 52,327,439	\$ 52,327,439	\$ -	0.00%
Franchise Fees	\$ (3,000,589)	\$ (2,764,163)	\$ (2,764,163)	\$ 236,426	7.88%
CMC	\$ -	\$ -	\$ -	\$ -	0.00%
TEEEF	\$ 139,567,298	\$ 139,567,298	\$ 139,567,298	\$ -	0.00%
TC5*	\$ 153,345,602	\$ 153,345,602	\$ 153,345,602	\$ -	0.00%
IRA	\$ -	\$ -	\$ -	\$ -	0.00%
Nuclear Decommissioning Fee*	\$ 197,708	\$ 773,292	\$ 773,292	\$ 575,584	291.13%
DCRF	\$ 220,146,407	\$ -	\$ -	\$ (220,146,407)	-100.00%
<b>Total Riders</b>	<b>\$ 1,094,404,464</b>	<b>\$ 1,049,669,284</b>	<b>\$ 1,049,669,284</b>	<b>\$ (44,735,179)</b>	<b>-4.09%</b>
<b>Sub-Total Revenue</b>	<b>\$ 2,525,038,618</b>	<b>\$ 2,715,033,853</b>	<b>\$ 2,715,033,853</b>	<b>\$ 189,995,235</b>	<b>7.52%</b>
Other Revenue	\$ 70,280,739	\$ 73,276,770	\$ 73,276,770	\$ 2,996,031	4.26%
<b>Total Revenue</b>	<b>\$ 2,595,319,357</b>	<b>\$ 2,788,310,623</b>	<b>\$ 2,788,310,623</b>	<b>\$ 192,991,266</b>	<b>7.44%</b>

\* The revenue amounts shown for these charges reflect the amounts approved in the specific Dockets they were approved in. These riders are not the subject of this rate case and the charges within each rider remain the same.

\*\* This reflects total program costs per Substantive Rule 25.181(f)(4), that any base rate case filed shall not be set to recover energy efficiency costs.

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**  
**RATE DESIGN SUMMARY**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

Sponsor: J. Durland

<b>CURRENT AND PROPOSED CHARGES</b> <b>(General Rate Schedules)</b>					
<b>CLASS</b>	<b>Type of Charge</b>	<b>Current Charge</b>	<b>Proposed Charge</b>	<b>Inc. or Dec.</b>	<b>Billing Unit</b>
<b>RESIDENTIAL</b>	Customer	\$2.30	\$2.11	-\$0.19	per customer
	Metering	\$2.09	\$2.79	\$0.70	per meter
	Transmission	\$0.000000	\$0.000000	\$0.000000	per kWh
	Distribution	\$0.020314	\$0.026100	\$0.005786	per kWh
<b>SECONDARY =&lt;10 kVa (Small)</b>	Customer	\$2.26	\$2.01	-\$0.25	per customer
	Metering	\$2.32	\$2.95	\$0.63	per meter
	Transmission	\$0.000000	\$0.000000	\$0.000000	per kWh
	Distribution	\$0.015504	\$0.015740	\$0.000236	per kWh
<b>SECONDARY &gt;10kVa (Large)</b>	Customer	\$3.00	\$4.14	\$1.14	per customer
	NON-IDR	\$44.95	\$64.72	\$19.77	per customer
	Metering				
	NON-IDR	\$7.41	\$9.27	\$1.86	per meter
	IDR	\$72.00	\$86.69	\$14.69	per meter
	Transmission				
	NON-IDR	\$0.0000	\$0.0000	\$0.00	per NCP kVa
	IDR	\$0.0000	\$0.0000	\$0.00	per 4 CP kVa
<b>PRIMARY</b>	Distribution	\$4.449410	\$4.475710	\$0.02630	per Billing kVa
	Customer				
	NON-IDR	\$4.51	\$6.37	\$1.86	per customer
	IDR	\$57.14	\$89.05	\$11.91	per customer
	Metering				
	NON-IDR	\$284.78	\$285.64	\$0.86	per meter
	IDR	\$175.97	\$81.03	-\$94.94	per meter
	Transmission				
<b>TRANSMISSION</b>	NON-IDR	\$0.0000	\$0.0000	\$0.00	per NCP kVa
	IDR	\$0.0000	\$0.0000	\$0.00	per 4 CP kVa
	Distribution	\$2.334540	\$3.441580	\$1.107040	per Billing kVa
	Customer	\$209.26	\$190.55	-\$18.71	per customer
	Metering	\$799.36	\$732.35	(\$67.01)	per meter
	Transmission	\$0.0000	\$0.0000	\$0.00	per 4 CP kVa
	Distribution	\$0.594950	\$0.536270	-\$0.058680	per 4 CP kVa

CURRENT AND PROPOSED CHARGES (Rider Schedules) (Not Including TCs)					
CLASS	Type of Charge	Current Charge	Proposed Charge	Inc. or Dec.	Billing Unit
Residential	RCE	N.A	\$0.000050	\$0.000050	per kWh
Secondary <=10 kVa	RCE	N.A	\$0.000033	\$0.000033	per kWh
Secondary >10 kVa	RCE	N.A	\$0.008260	\$0.008260	per Billing kVa
Primary	RCE	N.A	\$0.006579	\$0.006579	per Billing kVa
Transmission	RCE	N.A	\$0.008721	\$0.008721	per 4 CP kVa
Street Lighting	RCE	N.A	\$0.000306	\$0.000306	per kWh
Miscellaneous Lighting	RCE	N.A	\$0.000058	\$0.000058	per kWh
Residential	TCRF	\$0.010833	\$0.018282	\$0.007449	per kWh
Secondary <=10 kVa	TCRF	\$0.010734	\$0.010086	(\$0.000648)	per kWh
Secondary > 10 kVa					
IDR	TCRF	\$5.739265	\$4.927225	(\$0.812040)	per 4 CP Kva
Non-IDR	TCRF	\$3.364432	\$3.540568	\$0.176136	per NCP Kva
Primary					
IDR	TCRF	\$4.804674	\$5.049122	\$0.244448	per 4 CP Kva
Non-IDR	TCRF	\$2.084892	\$3.907002	\$1.822110	per NCP Kva
Transmission	TCRF	\$4.735986	\$6.492990	\$1.757004	per 4 CP Kva
Street Lighting	TCRF	\$0.000000	\$0.000000	\$0.000000	per kWh
Miscellaneous Lighting	TCRF	\$0.000000	\$0.000000	\$0.000000	per kWh
Residential	EECRF	\$0.000826	\$0.000826	\$0.000000	per kWh
Secondary <=10 kVa	EECRF	\$0.003344	\$0.003344	\$0.000000	per kWh
Secondary > 10 kVa	EECRF	\$0.000538	\$0.000538	\$0.000000	per kWh
Primary	EECRF	\$0.001403	\$0.001403	\$0.000000	per kWh
Transmission (Non Profit)	EECRF	\$0.000340	\$0.000340	\$0.000000	per kWh
Transmission (Industrial)	EECRF	\$0.000000	\$0.000000	\$0.000000	per kWh
Lighting Service	EECRF	\$0.000000	\$0.000000	\$0.000000	per kWh
Secondary > 10 kVa	CMC	\$0.92	\$2.33	\$1.406404	per meter
Primary	CMC	\$0.87	\$2.14	\$1.273966	per meter
Transmission	CMC	\$1.25	\$4.57	\$3.317976	per meter
Residential	TEEEF	\$0.002392	\$0.002392	\$0.000000	per kWh
Secondary <=10 kVa	TEEEF	\$0.001403	\$0.001403	\$0.000000	per kWh
Secondary > 10 kVa	TEEEF	\$0.504912	\$0.504912	\$0.000000	per Billing kVa
Primary	TEEEF	\$0.449845	\$0.449845	\$0.000000	per Billing kVa
Transmission	TEEEF	\$0.000000	\$0.000000	\$0.000000	per 4 CP kVa
Lighting Service	TEEEF	\$0.002852	\$0.002852	\$0.000000	per kWh
Residential	DCRF	\$0.003963	\$0.000000	(\$0.003963)	per kWh
Secondary <=10 kVa	DCRF	\$0.003781	\$0.000000	(\$0.003781)	per kWh
Secondary > 10 kVa	DCRF	\$0.614230	\$0.000000	(\$0.614230)	per Billing kVa
Primary	DCRF	\$0.382788	\$0.000000	(\$0.382788)	per Billing kVa
Transmission	DCRF	\$0.014217	\$0.000000	(\$0.014217)	per 4 CP kVa
Lighting Service	DCRF	\$0.079087	\$0.000000	(\$0.079087)	per kWh
Residential	IRA	N.A	\$0.000000	\$0.000000	per kWh
Secondary <=10 kVa	IRA	N.A	\$0.000000	\$0.000000	per kWh
Secondary >10 kVa	IRA	N.A	\$0.000000	\$0.000000	per Billing kVa
Primary	IRA	N.A	\$0.000000	\$0.000000	per Billing kVa
Transmission	IRA	N.A	\$0.000000	\$0.000000	per 4 CP kVa
Street Lighting	IRA	N.A	\$0.000000	\$0.000000	per kWh
Miscellaneous Lighting	IRA	N.A	\$0.000000	\$0.000000	per kWh
Residential	NDC	\$0.000003	\$0.000013	\$0.000010	per kWh
Secondary <=10 kVa	NDC	\$0.000002	\$0.000006	\$0.000004	per kWh
Secondary >10 kVa	NDC	\$0.000606	\$0.001460	\$0.000853	per Billing kVa
Primary	NDC	\$0.000576	\$0.001622	\$0.001046	per Billing kVa
Transmission	NDC	\$0.000764	\$0.004181	\$0.003418	per 4 CP kVa
Lighting Service	NDC	\$0.000002	\$0.000005	\$0.000003	per kWh



PROPOSED CUSTOMER OWNED FIXTURES STANDARD INSTALLATION FEES		One Light per Pole	Two Lights per Pole	Three Lights per Pole
High Pressure Sodium	Installations without secondary			
	150w, 250w,	\$325	\$350	\$405
	400w			
	1000w	\$370	\$450	\$550
	Installations with 150 feet of secondary			
	150w, 250w,	\$425	\$450	\$505
	400w			
	1000w	\$470	\$550	\$655
	<b>Light Emitting Diode</b>			
	Installations without secondary			
	40w, 100w,	\$325	\$350	\$405
	180w			
		\$370	\$450	\$550
	Installations with 150 feet of secondary			
	40w, 100w,	\$425	\$450	\$505
	180w			
		\$470	\$550	\$655
Guard Light	Installations without secondary			
	100w IIPS	\$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 IIPS	\$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
CURRENT CUSTOMER OWNED FIXTURES STANDARD INSTALLATION FEES		One Light per Pole	Two Lights per Pole	Three Lights per Pole
High Pressure Sodium	Installations without secondary			
	150w, 250w,	\$325	\$350	\$405
	400w			
	1000w	\$370	\$450	\$550
	Installations with 150 feet of secondary			
	150w, 250w,	\$425	\$450	\$505
	400w			
	1000w	\$470	\$550	\$655
	<b>Metal Halide</b>			
	Installations without secondary			
	175w, 250w,	\$330	\$365	\$430
	400w			
	1000w	\$370	\$450	\$550
	Installations with 150 feet of secondary			
	175w, 250w,	\$430	\$470	\$530
	400w			
	1000w	\$470	\$550	\$655
Guard Light	Installations without secondary			
	100w HPS	\$325	N/A	N/A
	Installations with secondary			
	100w IIPS	\$365	N/A	N/A
Roadway Light	Installations without secondary			
	150w IIPS	\$335	N/A	N/A
	Installations with secondary			
	150w IIPS	\$375	N/A	N/A

<b>PROPOSED CUSTOMER OWNED FIXTURES EXTRAORDINARY MAINTENANCE FEE</b>	
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

<b>CURRENT CUSTOMER OWNED FIXTURES EXTRAORDINARY MAINTENANCE FEE</b>	
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)	See Section 6.1.2.2, Construction Services

<b>Street Lights Mounted on Ornamental Standards</b>	
<u>Company Contribution per Standard Light</u>	
Current	Proposed
\$1,804.00	\$2,370.00

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
RATE DESIGN SUMMARY  
FOR THE YEAR ENDING DECEMBER 31, 2023

Sponsor: J. Durland

STREET LIGHT SERVICES CURRENT AND PROPOSED CHARGES																
Lamp Type	Lumen	Rate Sched. A		Increase/ (Reduction)	Rate Sched. B		Increase/ (Reduction)	Rate Sched. C		Increase/ (Reduction)	Rate Sched. D		Increase/ (Reduction)	Rate Sched. E		Increase/ (Reduction)
		Current	Proposed		Current	Proposed		Current	Proposed		Current	Proposed		Current	Proposed	
Mercury Vapor	22600	\$3.94	\$3.37	(\$0.57)	\$16.37	N/A	N/A	N/A	N/A	N/A	\$11.46	\$13.55	\$2.10	\$10.19	N/A	N/A
Mercury Vapor	7800	\$3.46	\$3.03	(\$0.43)	N/A	N/A	N/A	N/A	N/A	N/A	\$10.98	\$13.21	\$2.23	N/A	N/A	\$0.00
Mercury Vapor	4200	\$3.48	\$3.04	(\$0.44)	\$15.97	\$18.61	\$2.64	N/A	N/A	N/A	\$11.00	\$13.22	\$2.22	N/A	N/A	N/A
High Pressure Sodium	50000	\$3.91	\$3.47	(\$0.45)	\$16.35	N/A	N/A	N/A	N/A	N/A	\$11.43	\$13.65	\$2.22	\$10.16	\$11.40	\$1.23
High Pressure Sodium	28000	\$3.80	\$3.36	(\$0.44)	\$16.23	\$18.93	\$2.69	\$8.94	\$10.57	\$1.63	\$11.32	\$13.54	\$2.22	\$10.05	\$11.29	\$1.24
High Pressure Sodium	15000	\$3.68	\$3.94	\$0.25	\$16.13	\$19.51	\$3.38	\$8.83	N/A	N/A	\$11.21	\$14.12	\$2.91	\$9.94	\$11.87	\$1.93
High Pressure Sodium	9500	\$3.67	\$3.94	\$0.26	\$16.08	\$19.48	\$3.40	N/A	N/A	N/A	\$11.19	\$14.12	\$2.92	\$9.93	\$11.87	\$1.94
High Pressure Sodium	6000	\$3.64	\$3.26	(\$0.39)	\$16.08	\$18.82	\$2.74	N/A	N/A	N/A	\$11.16	\$13.44	\$2.27	N/A	N/A	N/A
Metal Halide	32200	\$4.94	\$3.05	(\$1.89)	N/A	N/A	N/A	N/A	N/A	N/A	\$17.25	\$16.29	(\$0.96)	\$14.11	\$13.25	(\$0.85)
Metal Halide	19475	\$9.14	\$6.15	(\$2.99)	N/A	N/A	N/A	N/A	N/A	N/A	\$16.50	\$16.33	(\$0.17)	\$13.34	\$13.29	(\$0.06)
Metal Halide	12600	\$7.22	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$14.67	\$15.18	\$0.51	\$12.52	\$12.56	\$0.04
Metal Halide	7900	\$6.63	\$4.68	(\$1.95)	N/A	N/A	N/A	N/A	N/A	N/A	\$14.08	\$14.86	\$0.78	\$11.93	\$12.24	\$0.31
Light Emitting Diode	15100	\$4.57	\$4.91	\$0.34	N/A	N/A	N/A	N/A	N/A	N/A	\$6.05	\$15.09	\$9.04	\$22.19	\$12.95	(\$9.25)
Light Emitting Diode	10850	\$4.20	\$3.46	(\$0.74)	\$16.66	\$18.99	\$2.34	\$19.23	\$10.75	(\$8.48)	\$11.74	\$13.64	\$1.90	\$10.73	\$11.49	\$0.77
Light Emitting Diode	7900	\$3.86	\$3.43	(\$0.43)	\$16.31	\$18.99	\$2.68	\$9.27	\$10.74	\$1.48	\$11.39	\$13.61	\$2.21	\$10.38	\$11.46	\$1.08
Light Emitting Diode	4800	\$3.47	\$3.43	(\$0.04)	\$15.93	\$18.61	\$2.68	N/A	N/A	N/A	\$11.01	\$13.61	\$2.60	\$10.00	\$11.46	\$1.46
Light Emitting Diode	2000	\$3.47	\$3.43	(\$0.04)	N/A	N/A	N/A	N/A	N/A	N/A	\$11.01	\$13.61	\$2.60	N/A	N/A	N/A

MISCELLANEOUS LIGHTING SERVICES CURRENT AND PROPOSED CHARGES										
Lamp Type	Lumen	Flood Light		Increase/ (Reduction)	Roadway		Increase/ (Reduction)	Guard Light		Increase/ (Reduction)
		Current	Proposed		Current	Proposed		Current	Proposed	
Company Owned Fixture Charge										
High Pressure Sodium	140000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	50000	\$4.06	\$6.69	\$2.63	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	28000	\$4.49	\$6.20	\$1.71	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	15000	\$3.76	\$5.69	\$1.93	\$2.42	\$4.49	\$2.07	N/A	N/A	N/A
High Pressure Sodium	9500	N/A	N/A	N/A	N/A	N/A	N/A	\$2.42	\$3.49	\$1.07
Light Emitting Diode	15100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Light Emitting Diode	11300	\$4.06	\$2.64	(\$1.42)	N/A	N/A	N/A	N/A	N/A	N/A
Light Emitting Diode	7900	\$4.49	\$2.59	(\$1.90)	\$2.42	\$4.49	\$2.07	N/A	N/A	N/A
Light Emitting Diode	4800	\$3.76	\$1.30	(\$2.46)	N/A	N/A	N/A	\$2.42	\$3.49	\$1.07
Mercury Vapor (No New Installations)	7800	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2.51	N/A
Transmission and Distribution Charge										
High Pressure Sodium	140000	\$6.94	\$3.72	(\$3.22)	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	50000	\$3.09	\$3.40	(\$0.29)	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	28000	\$4.12	\$3.13	(\$0.99)	N/A	N/A	N/A	N/A	N/A	N/A
High Pressure Sodium	15000	\$3.39	\$2.85	(\$0.54)	\$2.30	\$2.33	\$0.03	N/A	N/A	N/A
High Pressure Sodium	9500	N/A	N/A	N/A	N/A	N/A	N/A	\$2.29	\$1.78	(\$0.51)
Metal Halide	104500	\$13.44	\$7.22	(\$6.22)	N/A	N/A	N/A	N/A	N/A	N/A
Metal Halide	32200	\$6.06	\$3.83	(\$3.13)	N/A	N/A	N/A	N/A	N/A	N/A
Metal Halide	19475	\$17.08	\$9.51	(\$7.57)	N/A	N/A	N/A	N/A	N/A	N/A
Metal Halide	12900	\$8.24	\$5.05	(\$3.19)	N/A	N/A	N/A	N/A	N/A	N/A
Light Emitting Diode	15100	\$6.94	\$2.89	(\$4.05)	N/A	N/A	N/A	N/A	N/A	N/A
Light Emitting Diode	11300	\$3.09	\$2.90	(\$0.79)	N/A	N/A	N/A	N/A	N/A	N/A
Light Emitting Diode	7900	\$4.12	\$2.84	(\$1.28)	\$2.30	\$2.33	\$0.03	N/A	N/A	N/A
Light Emitting Diode	4800	\$3.39	\$0.65	(\$2.74)	N/A	N/A	N/A	\$2.29	\$1.78	(\$0.51)
Mercury Vapor (No New Installations)	7800	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1.24	N/A

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**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	<del>\$2.30</del> <del>\$2.16</del> <del>\$2.12</del> <del>\$2.11</del>	per Retail Customer per Month
Metering Charge	<del>\$2.09</del> <del>\$2.77</del> <del>\$2.80</del> <del>\$2.79</del>	per Meter per Month
Transmission System Charge	\$0.00	per kWh
Distribution System Charge	<del>\$0.020314</del> <del>\$0.026100</del> <del>\$0.025940</del> <del>\$0.026040</del> <del>\$0.026100</del>	per kWh

**II. Transition Charge:**See Schedules ~~TC2, TC3, SRC, and 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)	<del>(\$0.001756)</del> <del>(\$0.001767)</del>	per kWh
B. Rate Case Expenses Surcharge		See Rider RCE

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C. Energy Efficiency Cost Recovery Factor	See Rider EECRF
<del>D. Accumulated Deferred Federal Income Tax Credit</del>	See Rider ADFITC
<del>D.E</del> Distribution Cost Recovery Factor	See Rider DCRF
<del>E.F.</del> Temporary Emergency Electric Energy Facilities	See Rider TEEEF
<u>F. Inflation Reduction Act 2022</u>	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.

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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 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.

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**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	<del>\$2.26</del> <del>\$2.22</del> <u>\$2.01</u>	per Retail Customer per Month
Metering Charge	<del>\$2.32</del> <del>\$3.02</del> <u>\$2.97</u> <u>\$2.95</u>	per Meter per Month
Transmission System Charge	\$0.00	per kWh
Distribution System Charge	<del>\$0.015504</del> <del>\$0.016460</del> <del>\$0.015470</del> <del>\$0.015720</del> <u>\$0.015740</u>	per kWh

**II. Transition Charge:** See Schedules ~~TC2, TC3, SRC, and~~ 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)	<del>(\$0.002060)</del> <u>(\$0.002023)</u>	per kWh
B. Rate Case Expenses Surcharge		See Rider RCE
C. Energy Efficiency Cost Recovery Factor		See Rider EECRF
D. <del>Accumulated Deferred Federal Income Tax Credit</del>		<del>See Rider ADFITC</del>



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~~D.E.~~ Distribution Cost Recovery Factor

See Rider DCRF

~~E.F.~~ 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. 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

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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 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.

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**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

	<del>\$3.00</del> <del>\$3.23</del>	
	<del>\$4.67</del> <del>\$4.65</del>	per Retail Customer per
Non-IDR Metered	<u>\$4.14</u>	Month

	<del>\$44.95</del> <del>\$40.50</del>	
	<del>\$45.80</del> <del>\$46.24</del>	per Retail Customer per
IDR or IDR Capable AMS Metered	<u>\$64.72</u>	Month

## Metering Charge

	<del>\$7.41</del> <del>\$9.56</del>	
	<del>\$9.35</del> <del>\$9.27</del>	per Meter per Month
Non-IDR Metered	<u>\$9.27</u>	

	<del>\$72.00</del> <del>\$88.98</del>	
	<del>\$87.68</del> <del>\$86.69</del>	per Meter per Month
IDR or IDR Capable AMS Metered	<u>\$86.69</u>	

## Transmission System Charge

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

	<del>\$4.449</del> <del>410</del>	
	<del>\$4.481</del> <del>790</del>	
	<del>\$4.544</del> <del>200</del>	
	<del>\$4.469</del> <del>600</del>	
Distribution System Charge	<u>\$4.475</u> <u>710</u>	per Billing kVA

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### II. Transition Charge:

See Schedules ~~TC2, TC3, SRC, and 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 ~~(\$0.897049)~~ per Billing kVA  
 (see application and explanation below) (\$0.644820)

B. Rate Case Expenses Surcharge See Rider RCE

C. Energy Efficiency Cost Recovery Factor See Rider EECRF

~~D. Accumulated Deferred Federal Income Tax Credit~~ See Rider ADFITC

~~D.E.~~ Distribution Cost Recovery Factor See Rider DCRF

~~E.F.~~ 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.

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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. 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.

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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 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.

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**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

	<del>\$4.51</del> <del>\$9.95</del> <del>\$24.08</del>	
Non-IDR Metered	<del>\$24.89</del> <del>\$6.37</del>	per Retail Customer per Month

	<del>\$57.14</del> <del>\$49.78</del>	
	<del>\$57.38</del> <del>\$58.26</del>	
IDR or IDR Capable AMS Metered	<del>\$69.05</del>	per Retail Customer per Month

## Metering Charge

	<del>\$284.78</del> <del>\$368.50</del>	
	<del>\$308.54</del> <del>\$285.66</del>	
Non-IDR Metered	<del>\$285.64</del>	per Meter per Month

	<del>\$175.97</del> <del>\$94.06</del>	
IDR or IDR Capable AMS Metered	<del>\$87.05</del> <del>\$81.03</del>	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

	<del>\$2.334540</del>	
	<del>\$3.271110</del>	
	<del>\$3.376320</del>	
	<del>\$3.594970</del> <del>\$3.441580</del>	per Billing kVA

**II. Transition Charge:**

See Schedules TC2, TC3,  
 SRC, and TC5

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<b>III. Nuclear Decommissioning Charge:</b>	See Rider NDC
<b>IV. Transmission Cost Recovery Factor:</b>	See Rider TCRF
<b>V. Competitive Metering Credit:</b>	See Rider CMC
<b>VI. Other Charges or Credits:</b>	
A. Municipal Account Franchise Credit (see application and explanation below)	<del>(\$0.587486)</del> <u>(\$0.631810)</u> per Billing kVA
B. Rate Case Expenses Surcharge	See Rider RCE
C. Energy Efficiency Cost Recovery Factor	See Rider EECRF
<del>D. Accumulated Deferred Federal Income Tax Credit</del>	<del>See Rider ADFITC</del>
<u>D.E.</u> Distribution Cost Recovery Factor	See Rider DCRF
<del>E.F.</del> Temporary Emergency Electric Energy Facilities	See Rider TEEEF
<u>F. Inflation Reduction Act 2022</u>	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



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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 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

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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.

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.

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**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	<del>\$209.26</del>	per Retail Customer per month
	<del>\$161.68</del>	
	<del>\$190.52</del>	
	<del>\$190.58</del>	
	<u>\$190.55</u>	
Metering Charge	<del>\$799.36</del>	per Meter per month
	<del>\$615.98</del>	
	<del>\$670.99</del>	
	<del>\$732.46</del>	
	<u>\$732.35</u>	
Transmission System Charge	\$0.00	per 4CP kVA
Distribution System Charge	<del>\$0.594950</del>	per 4CP kVA
	<del>\$0.567260</del>	
	<u>\$0.536270</u>	

**II. Transition Charge:**

See Schedules ~~TC2, TC3, and~~  
 TC5

**III. Nuclear Decommissioning Charge:**

See Rider NDC

**IV. Transmission Cost Recovery Factor:**

See Rider TCRF

**V. Competitive Metering Credit:**

See Rider CMC

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### VI. Other Charges or Credits:

A. Municipal Account Franchise Credit (see application and explanation below)	<del>(\$0.000779)</del> <u>(\$0.000649)</u> 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. <u>Inflation Reduction Act 2022</u>	See Rider IRA
G. <u>Customer Load Study Charge</u>	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

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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.

- (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:

$$\text{TCCF} = \frac{\sum \text{Class CP}_1 \text{ kVA for June, July, August, September}}{\sum \text{Class NCP kVA for June, July, August, September}} = \frac{0.784009}{0.873222}$$

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.

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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.

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*

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*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 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.

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### 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 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.



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**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 ~~\$0.89~~ ~~\$1.13~~ ~~\$1.09~~ \$1.07 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
<b>Mercury Vapor</b>							
22,600 Lumen	400	<del>\$3.94</del> <del>\$3.78</del> <u>\$3.42</u> <u>\$3.7</u>	<del>\$16.37</del> <del>N.A.</del>	N.A.	<del>\$11.46</del> <del>\$14.34</del> <u>\$13.75</u> <u>\$55</u>	<del>\$10.19</del> <del>N.A.</del>	150
7,800 Lumen	175	<del>\$3.46</del> <del>\$3.42</del> <u>\$3.07</u> <u>\$3</u>	N.A.	N.A.	<del>\$10.98</del> <del>\$13.98</del> <u>\$13.40</u> <u>\$21</u>	N.A.	69
4,200 Lumen	100	<del>\$3.48</del> <del>\$3.42</del> <u>\$3.08</u> <u>\$4</u>	<del>\$15.97</del> <del>\$19.58</del> <u>\$18.88</u> <u>\$61</u>	N.A.	<del>\$11.00</del> <del>\$13.99</del> <u>\$13.41</u> <u>\$22</u>	N.A.	41
<b>High Pressure Sodium Vapor</b>							
50,000 Lumen	400	<del>\$3.91</del> <del>\$3.87</del> <u>\$3.51</u> <u>\$47</u>	<del>\$16.35</del> <del>N.A.</del>	N.A.	<del>\$11.43</del> <del>\$14.43</del> <u>\$13.84</u> <u>\$65</u>	<del>\$10.16</del> <del>\$11.99</del> <u>\$11.56</u> <u>\$40</u>	160
28,000 Lumen	250	<del>\$3.80</del> <del>\$3.77</del> <u>\$3.41</u> <u>\$3.40</u> <u>\$36</u>	<del>\$16.23</del> <del>\$19.91</del> <u>\$19.20</u> <u>\$18.93</u>	<del>\$8.94</del> <del>\$11.14</del> <u>\$10.73</u> <u>\$57</u>	<del>\$11.32</del> <del>\$14.32</del> <u>\$13.74</u> <u>\$54</u>	<del>\$10.05</del> <del>\$11.89</del> <u>\$11.45</u> <u>\$29</u>	106
15,000 Lumen	150	<del>\$3.69</del> <del>\$4.37</del> <u>\$3.99</u> <u>\$94</u>	<del>\$16.13</del> <del>\$20.52</del> <u>\$19.79</u> <u>\$51</u>	<del>\$8.83</del> <del>N.A.</del>	<del>\$11.21</del> <del>\$14.93</del> <u>\$14.32</u> <u>\$12</u>	<del>\$9.94</del> <del>\$12.49</del> <u>\$12.04</u> <u>\$11.87</u>	58
9,500 Lumen	100	<del>\$3.67</del> <del>\$4.37</del> <u>\$3.99</u> <u>\$94</u>	<del>\$16.08</del> <del>\$20.48</del> <u>\$19.76</u> <u>\$19.77</u> <u>\$48</u>	N.A.	<del>\$11.19</del> <del>\$14.93</del> <u>\$14.32</u> <u>\$12</u>	<del>\$9.93</del> <del>\$12.49</del> <u>\$12.04</u> <u>\$11.87</u>	38
6,000 Lumen	70	<del>\$3.64</del> <del>\$3.66</del> <u>\$3.30</u> <u>\$3.29</u> <u>\$26</u>	<del>\$16.08</del> <del>\$19.80</del> <u>\$19.09</u> <u>\$19.10</u> <u>\$18.82</u>	N.A.	<del>\$11.16</del> <del>\$14.22</del> <u>\$13.63</u> <u>\$44</u>	N.A.	29
<b>Metal Halide</b>							
32,200 Lumen	400	<del>\$4.94</del> <del>\$3.70</del> <u>\$3.09</u> <u>\$3.08</u> <u>\$05</u>	N.A.	N.A.	<del>\$17.25</del> <del>\$18.15</del> <u>\$16.54</u> <u>\$29</u>	<del>\$14.11</del> <del>\$14.59</del> <u>\$13.43</u> <u>\$25</u>	159

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19,475 Lumen	250	<del>\$9.14</del> <del>\$7.67</del> <del>\$6.23</del> <del>15</del>	N.A.	N.A.	<del>\$16.50</del> <del>\$18.23</del> <del>\$16.56</del> <del>33</del>	<del>\$13.34</del> <del>\$14.66</del> <del>\$13.47</del> <del>29</del>	96
12,900 Lumen	175	<del>\$7.22</del> <del>N.A.</del>	N.A.	N.A.	<del>\$14.67</del> <del>\$16.48</del> <del>\$15.39</del> <del>18</del>	<del>\$12.52</del> <del>\$13.51</del> <del>\$12.74</del> <del>56</del>	70
7,900 Lumen	100	<del>\$6.63</del> <del>\$5.66</del> <del>\$4.74</del> <del>\$4.72</del> <del>68</del>	N.A.	N.A.	<del>\$14.08</del> <del>\$16.22</del> <del>\$15.07</del> <del>\$15.06</del> <del>\$14.86</del>	<del>\$11.93</del> <del>\$13.25</del> <del>\$12.41</del> <del>\$12.40</del> <del>24</del>	40
<b>Light Emitting Diode (LED)</b>							
15,100 Lumen	<del>480</del> <del>116-</del> <del>180</del>	<del>\$4.57</del> <del>\$5.25</del> <del>\$4.98</del> <del>1</del>	N.A.	N.A.	<del>\$6.05</del> <del>\$15.81</del> <del>\$15.34</del> <del>09</del>	<del>\$22.19</del> <del>\$13.52</del> <del>\$13.14</del> <del>\$12.95</del>	<del>64</del> <del>53</del>
10,850 Lumen	<del>415</del> <del>71-</del> <del>115</del>	<del>\$4.20</del> <del>\$3.74</del> <del>\$3.51</del> <del>46</del>	<del>\$16.66</del> <del>\$19.86</del> <del>\$19.27</del> <del>\$18.99</del>	<del>\$19.23</del> <del>\$11.24</del> <del>\$10.90</del> <del>75</del>	<del>\$11.74</del> <del>\$14.30</del> <del>\$13.84</del> <del>64</del>	<del>\$10.73</del> <del>\$12.01</del> <del>\$11.66</del> <del>49</del>	<del>38</del> <del>36</del>
7,900 Lumen	<del>95</del> <del>46-70</del>	<del>\$3.86</del> <del>\$3.71</del> <del>\$3.48</del> <del>43</del>	<del>\$16.31</del> <del>\$19.85</del> <del>\$19.27</del> <del>\$18.99</del>	<del>\$9.27</del> <del>\$11.24</del> <del>\$10.90</del> <del>74</del>	<del>\$11.39</del> <del>\$14.27</del> <del>\$13.84</del> <del>61</del>	<del>\$10.38</del> <del>\$11.98</del> <del>\$11.63</del> <del>46</del>	<del>32</del> <del>28</del>
4,800 Lumen	<del>45</del> <del>21-45</del>	<del>\$3.47</del> <del>\$3.71</del> <del>\$3.47</del> <del>43</del>	<del>\$15.93</del> <del>\$19.45</del> <del>\$18.88</del> <del>61</del>	N.A.	<del>\$11.01</del> <del>\$14.27</del> <del>\$13.84</del> <del>61</del>	<del>\$10.00</del> <del>\$11.98</del> <del>\$11.63</del> <del>46</del>	<del>47</del> <del>15</del>
2,000 Lumen	<del>20</del> <del>0-20</del>	<del>\$3.47</del> <del>\$3.71</del> <del>\$3.47</del> <del>43</del>	N.A.	N.A.	<del>\$11.01</del> <del>\$14.27</del> <del>\$13.84</del> <del>61</del>	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 Schedules ~~TC2, TC3,~~  
~~SRC,~~ and 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)

~~(\$0.001597)~~  
~~(\$0.001585)~~ per kWh

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B. Rate Case Expenses Surcharge	See Rider RCE
C. Energy Efficiency Cost Recovery Factor	See Rider EECRF
<del>D. Accumulated Deferred Federal Income Tax Credit</del>	<del>See Rider ADFIT</del>
<del>D.E. Distribution Cost Recovery Factor</del>	See Rider DCRF
<del>E.F. Temporary Emergency Electric Energy Facilities</del>	See Rider TEEEF
<u>F. Inflation Reduction Act 2022</u>	<u>See Rider IRA</u>

## 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 level 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 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,

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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 ~~\$2.16~~~~\$2.80~~ ~~\$2.77~~~~\$6.84~~ 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&amp;D CHARGE</u>	<u>LUMEN RATING</u>	<u>TOTAL WATTAGE</u>	<u>FIXTURE CHARGE<sup>1</sup></u>	<u>MONTHLY KW<sup>2</sup></u>
<u>Floodlighting/Directional Lighting</u>					
-	-				
<b>High Pressure Sodium</b>					
High Pressure Sodium (150 watts)	<del>\$3.39</del> <del>\$2.89</del> \$2.825	15,000	185	<del>\$3.76</del> <del>\$5.51</del> \$5.4569	61
High Pressure Sodium (250 watts)	<del>\$4.12</del> <del>\$3.18</del> \$3.163	28,000	315	<del>\$4.49</del> <del>\$6.00</del> \$5.948620	105
High Pressure Sodium (400 watts)	<del>\$3.69</del> <del>\$3.46</del> \$3.430	50,000	475	<del>\$4.06</del> <del>\$6.48</del> \$6.4469	158

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