



## **Filing Receipt**

**Filing Date - 2024-06-17 03:30:35 PM**

**Control Number - 56211**

**Item Number - 317**



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

**OFFICE OF PUBLIC UTILITY COUNSEL  
REQUEST NO.: OPUC-RFI08-01**

**QUESTION:**

Referencing the testimony of Gregory S. Wilson, Bates Page 2345, Line No. 2:

- a. Please identify where the property insurance reserve deficit of \$42.081 million can be found in rate base;
- b. Please explain in detail what property losses are included in the referenced reserve deficit of \$42.081 million;
- c. Please provide detailed support for the \$42.081 million including event, date of event, and total cost per event;
- d. Please explain in detail how the property insurance reserve deficit is impacted by the below regulatory assets:
  - i. Regulatory Asset Hurricane Harvey;
  - ii. Regulatory Asset Hurricane Nicholas;
  - iii. Regulatory Asset Storm Costs other (LAURA); and
  - iv. Regulatory Asset Winter Storm Uri;
- e. If the regulatory assets referenced in part d above are not included or impacting the property insurance reserve deficit, please explain; and
- f. Please provide the previous 5 year ending balances for the property insurance reserve balances (2018 – 2022).

**ANSWER:**

The testimony of Gregory S. Wilson, Bates Page 2346, Line No. 2 inadvertently transposed the last two digits of the rounded deficit reserve balance. The balance in this testimony was corrected to \$42.018 million in CenterPoint Energy Houston Electric, LLC's Errata 2 Filing May 22, 2024. The Schedules and Kristie L. Colvin's Direct Testimony included in the Company's Errata 2 filing also included an adjustment in the amount of \$199,056 to reduce the property insurance reserve deficit balance, removing three storms that did not surpass the threshold of \$100,000 per event. This reduced the overall deficit reserve balance from \$42.018 million to \$41.819 million. Corresponding revisions to Mr. Wilson's Direct Testimony are included in Errata 3.

The property insurance reserve deficit balance of \$41.819 million can be found in CEHE RFP Schedules Errata 2 Schedule II-B-7 "Accumulated Provisions" line 5 under the description "Regulatory Assets-Storm Reserve." For clarity, the property insurance reserve is the "Self-Insurance" reserve in accordance with PURA Section 36.064.

Please see the Direct Testimony of Ms. Colvin Bates page 792 line 9 through page 795 line 10 for explanation of property losses included in the reserve deficit balance.

Please see attachment "OPUC-RFI08-01\_Event\_Date\_Cost.xlsx" for the requested detail supporting the deficit reserve balance.

Regulatory Asset Hurricane Harvey, Regulatory Asset Hurricane Nicholas, Regulatory Asset Storm

Costs other (LAURA), and Regulatory Asset Winter Storm Uri are not included in the property insurance reserve. For further explanation of the accounting for these regulatory assets, please see the following:

- Schedule II-B-12a Regulatory Assets – Narrative
- Direct Testimony of Kristie L. Colvin:
  - Bates page 813 line 7 through page 817 line 9:
    - Regulatory Asset Hurricane Harvey
  - Bates page 818 line 6 through page 819 line 17:
    - Regulatory Asset Hurricane Nicholas
    - Regulatory Asset Storm Costs other (LAURA)
    - Regulatory Asset Winter Storm Uri

Please also see the Direct Testimony of Ms. Colvin Bates page 794 line 13 through page 795 line 10 which explains why the Company is requesting recovery of these other-storm related restoration costs separate from the property insurance reserve.

The year ending balances for the property insurance reserve for 2018 through 2022 per books are as follows:

- 2018 5,829,611
- 2019 13,280,870
- 2020 14,597,657
- 2021 17,341,896
- 2022 21,407,120

**SPONSOR:**

Kristie Colvin

**RESPONSIVE DOCUMENTS:**

OPUC-RFI08-01\_Event\_Date\_Cost.xlsx

CenterPoint Energy Houston Electric, LLC  
Detail Support for Deficit Reserve Balance 12/31/2023  
Company Code 0003: General Ledger Account 179017 Regulatory Assets-Storm Reserve

Description	Date	SAP WBS Project Definition	Total
2015 STORM #15 EXP Aug 19, 2015	8/19/2015	HLP/15/0030	312.74
2015 STORM #17 EXP Oct 24, 2015	10/24/2015	HLP/15/0034	1,619.60
2015 STORM #18 EXP Oct 31, 2015	10/31/2015	HLP/15/0036	340.15
2015 STORM #20 EXP Dec 27, 2015	12/27/2015	HLP/15/0040	777.80
2016 STORM #1 EXP February 23, 2016	2/23/2016	HLP/16/0002	1,349.48
2016 STORM #13 EXP June 18, 2016	6/18/2016	HLP/16/0026	(757.16)
2016 STORM #2 EXP March 9, 2016	3/9/2016	HLP/16/0004	300.22
2016 STORM #4 EXP April 13, 2016	4/13/2016	HLP/16/0008	282.63
2016 STORM #5 EXP April 17, 2016	4/17/2016	HLP/16/0010	1,163.50
2017 STORM #1 EXP Jan 2, 2017	1/2/2017	HLP/17/0002	280.73
2017 STORM #11 EXP July 22, 2017	7/22/2017	HLP/17/0022	(213.42)
2017 STORM #12 EXP Aug 7, 2017	8/7/2017	HLP/17/0024	165.02
2017 STORM #14 EXP Oct 20, 2017	10/20/2017	HLP/17/0028	(1,385.05)
2017 STORM #4 EXP Mar 29, 2017	3/29/2017	HLP/17/0010	(1,701.61)
2017 STORM #7 EXP May 23, 2017	5/23/2017	HLP/17/0014	(81.84)
2017 STORM #9 EXP Jul 9, 2017	7/9/2017	HLP/17/0018	(94.33)
2018 STORM #1 EXP Jan 11, 2018	1/11/2018	HLP/18/0001	(22,888.98)
2018 STORM #10 EXP 06/20/2018	6/20/2018	HLP/18/0020	(52,337.84)
2018 STORM #11 EXP 10/15/2018	10/15/2018	HLP/18/0044	(6,200.57)
2018 STORM #11 EXP 7/3/2018	7/3/2018	HLP/18/0022	(71,057.90)
2018 STORM #12 EXP 07/09/2018	7/9/2018	HLP/18/0024	(36,803.79)
2018 STORM #13 EXP 7/12/2018	7/12/2018	HLP/18/0026	(23,471.29)
2018 STORM #15 EXP 8/9/2018	8/9/2018	HLP/18/0030	(80,023.75)
2018 STORM #16 EXP 8/10/2018	8/10/2018	HLP/18/0032	(97,131.30)
2018 STORM #18 EXP 9/3/2018	9/3/2018	HLP/18/0036	(67,626.34)
2018 STORM #19 9/9/2018	9/9/2018	HLP/18/0038	(54,337.38)
2018 STORM #2 EXP Jan 16, 2018	1/16/2018	HLP/18/0002	(42,050.99)
2018 STORM #2 EXP MAR 28-MAR29	3/28/2018 - 3/29/2018	HLP/18/0004	(6,094.05)
2018 STORM #20 EXP 9/22/2018	9/22/2018	HLP/18/0040	(9,487.50)
2018 STORM #21 EXP 9/29/2018	9/29/2018	HLP/18/0042	(8,557.29)
2018 STORM #23 EXP 10/31-11/1/2018	10/31/2018 - 11/1/2018	HLP/18/0046	(38,809.22)
2018 STORM #24 EXP 11/12/2018	11/12/2018	HLP/18/0048	(1,668.04)
2018 STORM #25 EXP 12/7/2018	12/7/2018	HLP/18/0050	(58,513.17)
2018 STORM #26 EXP 12/20/2018	12/20/2018	HLP/18/0052	2,051.39
2018 STORM #27 EXP 12/26/2018	12/26/2018	HLP/18/0054	(2,220.76)
2018 STORM #3 EXP 04/03/2018 - 04/04/2018	4/3/2018 - 4/4/2018	HLP/18/0006	(1,892.42)
2018 STORM #4 EXP 4/14/2018	4/14/2018	HLP/18/0008	(313.50)
2018 STORM #5 EXP 4/22/2018	4/22/2018	HLP/18/0010	(200.00)
2018 STORM #6 EXP 5/20/2018	5/20/2018	HLP/18/0012	136.55
2018 STORM #7 EXP 5/26/2018	5/26/2018	HLP/18/0014	123.25
2018 STORM #8 EXP 6/3/2018	6/3/2018	HLP/18/0016	(35,608.52)
2018 STORM #9 EXP 6/14/2018	6/14/2018	HLP/18/0018	(14,767.09)
2019 STORM #1 EXP 01/19/2019	1/19/2019	HLP/19/0001	467,740.28
2019 STORM #2 EXP 01/23/2019	1/23/2019	HLP/19/0002	297,177.00
2019 STORM #3 EXP 2/26/2019	2/26/2019	HLP/19/0003	111,727.40
2019 STORM #4 EXP 4/04/2019	4/4/2019	HLP/19/0004	171,525.35
2019 STORM #5 EXP 04/07/2019	4/7/2019	HLP/19/0005	1,132,779.52
2019 STORM #6 EXP 04/13/2019	4/13/2019	HLP/19/0006	250,781.68
2019 STORM #7 EXP 04/18/2019	4/18/2019	HLP/19/0007	534,447.76
2019 STORM #8 EXP 04/19/2019	4/19/2019	HLP/19/0008	96,387.65 [1]
2019 STORM #9 EXP 05/03/2019	5/3/2019	HLP/19/0009	565,751.34
2019 STORM #10 EXP 05/07/2019	5/7/2019	HLP/19/0010	1,127,092.13
2019 STORM #11 EXP 05/09/2019	5/9/2019	HLP/19/0011	2,306,757.52
2019 STORM #12 EXP 06/05/2019	6/5/2019	HLP/19/0012	288,767.68
2019 STORM #13 EXP 06/06/2019	6/6/2019	HLP/19/0013	528,224.84
2019 STORM #14 EXP 06/16/2019	6/16/2019	HLP/19/0014	513,193.95
2019 STORM #15 EXP 06/24/2019	6/24/2019	HLP/19/0015	368,723.46
2019 STORM #16 EXP 06/25/2019	6/25/2019	HLP/19/0016	153,558.85
2019 STORM #17 EXP 07/03/2019	7/3/2019	HLP/19/0017	92,072.20 [1]
2019 STORM #18 EXP 07/11/2019	7/11/2019	HLP/19/0018	158,006.16
2019 STORM #19 EXP 07/15/2019	7/15/2019	HLP/19/0019	134,120.41
2019 STORM #20 EXP 07/30/2019	7/30/2019	HLP/19/0020	399,117.56
2019 STORM #21 EXP 8/14/2019	8/14/2019	HLP/19/0021	498,469.06
2019 STORM #22 EXP	9/19/2019	HLP/19/0022	343,094.84
2019 STORM #23 EXP 09/10/2019	9/10/2019	HLP/19/0023	106,761.67
2019 STORM #24 EXP 09/17/2019	9/17/2019	HLP/19/0024	1,674,012.42
2020 STORM #01 EXP 05/10/2020	5/10/2020	HLP/20/0090	468,668.12



CenterPoint Energy Houston Electric, LLC  
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Description	Date	SAP WBS Project Definition	Total
2020 STORM #2 EXP 04/09/2020	4/9/2020	HLP/20/0002	540,379.38
2020 STORM #3 EXP 04/19/2020	4/19/2020	HLP/20/0003	196,519.74
2020 STORM #4 EXP 04/12/2020	4/12/2020	HLP/20/0004	119,117.98
2020 STORM #5 EXP 04/28/2020	4/28/2020	HLP/20/0005	101,950.09
2020 STORM #6 EXP 04/29/2020	4/29/2020	HLP/20/0006	653,830.30
2020 STORM #7 EXP 05/15/2020	5/15/2020	HLP/20/0007	646,121.03
2020 STORM #8 EXP 05/24/2020	5/24/2020	HLP/20/0008	293,610.79
2020 STORM #9 EXP 5/27/2020	5/27/2020	HLP/20/0009	1,563,128.88
2020 STORM #10 EXP 06/03/2020	6/3/2020	HLP/20/0010	187,833.67
2020 STORM #11 EXP 06/21/2020	6/21/2020	HLP/20/0011	112,754.86
2020 STORM #12 EXP 06/22/2020	6/22/2020	HLP/20/0012	594,464.51
2020 STORM #13 EXP 07/11/2020	7/11/2020	HLP/20/0013	109,793.17
2020 STORM #14 EXP 07/17/2020	7/17/2020	HLP/20/0014	106,341.31
2020 STORM #15 EXP 07/21/2020	7/21/2020	HLP/20/0015	121,367.78
2020 STORM #16 EXP 07/25/2020	7/25/2020	HLP/20/0016	297,557.29
2020 STORM #17 EXP 09/06/2020	9/6/2020	HLP/20/0017	108,417.88
2020 STORM #18 EXP 09/07/2020	9/7/2020	HLP/20/0018	131,809.55
2020 STORM #19 EXP 09/20/2020	9/20/2020	HLP/20/0019	878,855.57
2020 STORM #20 EXP 12/13/2020	12/13/2020	HLP/20/0020	427,573.32
2020 STORM #21 EXP 12/24/2020	12/24/2020	HLP/20/0021	113,750.28
2021 STORM #1 EXP 01/06/2021	1/6/2021	HLP/21/0001	205,718.15
2021 STORM #2 EXP 01/10/2021	1/10/2021	HLP/21/0002	162,828.09
2021 STORM #3 EXP 02/11/2021	2/11/2021	HLP/21/0003	133,167.75
2021 STORM #4 EXP 03/14/2021	3/14/2021	HLP/21/0004	147,824.87
2021 STORM #5 EXP 03/17/2021	3/17/2021	HLP/21/0005	116,312.45
2021 STORM #6 EXP 04/14/2021	4/14/2021	HLP/21/0006	149,086.69
2021 STORM #7 EXP 04/23/2021	4/23/2021	HLP/21/0007	118,125.86
2021 STORM #8 EXP 04/30/2021	4/30/2021	HLP/21/0008	219,081.80
2021 STORM #9 EXP 05/01/2021	5/1/2021	HLP/21/0009	416,886.42
2021 STORM #10 EXP 05/11/2021	5/11/2021	HLP/21/0010	101,278.78
2021 STORM #11 EXP 05/16/2021	5/16/2021	HLP/21/0011	1,566,720.53
2021 STORM #12 EXP 05/17/2021	5/17/2021	HLP/21/0012	149,427.13
2021 STORM #13 EXP 05/24/2021	5/24/2021	HLP/21/0013	206,661.27
2021 STORM #14 EXP 05/28/2021	5/28/2021	HLP/21/0014	551,008.69
2021 STORM #15 EXP 06/02/2021	6/2/2021	HLP/21/0015	491,299.38
2021 STORM #16 EXP 06/13/2021	6/13/2021	HLP/21/0016	202,066.70
2021 STORM #18 EXP 06/15/2021	6/15/2021	HLP/21/0018	595,556.97
2021 STORM #19 EXP 06/21/2021	6/21/2021	HLP/21/0019	302,183.79
2021 STORM #20 EXP 06/28/2021	6/28/2021	HLP/21/0020	177,502.20
2021 STORM #23 EXP 07/12/2021	7/12/2021	HLP/21/0023	232,939.89
2021 STORM #27 EXP 07/30/2021	7/30/2021	HLP/21/0027	223,448.48
2021 STORM #22 EXP 07/09/2021	7/9/2021	HLP/21/0022	168,044.97
2021 STORM #24 EXP 07/13/2021	7/13/2021	HLP/21/0024	318,993.98
2021 STORM #25 EXP 07/14/2021	7/14/2021	HLP/21/0025	152,547.75
2021 STORM #26 EXP 07/19/2021	7/19/2021	HLP/21/0026	349,097.28
2021 STORM #28 08/14/2021	8/14/2021	HLP/21/0028	109,505.57
2021 STORM #29 EXP 08/15/2021	8/15/2021	HLP/21/0029	819,454.01
2021 STORM #30 EXP 08/18/2021	8/18/2021	HLP/21/0030	181,243.45
2021 STORM #31 EXP 10/01/2021	10/1/2021	HLP/21/0031	167,998.14
2021 STORM #32 EXP 10/27/2021	10/27/2021	HLP/21/0032	360,630.09
2021 STORM #33 EXP 10/28/2021	10/28/2021	HLP/21/0033	1,381,698.48
2022 STORM #1 - 01/08/2022	1/8/2022	HLP/22/0001	475,099.06
2022 STORM #2 EXP 01/15/2022	1/15/2022	HLP/22/0002	235,489.03
2022 STORM #3 - 01/02/2022	1/2/2022	HLP/22/0003	150,990.54
2022 STORM #4 - 02/03/2022	2/3/2022	HLP/22/0004	502,283.68
2022 STORM #5 - 02/17/2022	2/17/2022	HLP/22/0005	104,925.68
2022 STORM #6 - 03/11/2022	3/11/2022	HLP/22/0006	122,000.16
2022 STORM #7 - 03/21/2022	3/21/2022	HLP/22/0007	235,905.75
2022 STORM #8- 03/22/2022	3/22/2022	HLP/22/0008	337,860.58
2022 STORM #9 - 04/10/2022	4/10/2022	HLP/22/0009	110,592.43
2022 STORM #10- 04/11/2022	4/11/2022	HLP/22/0010	158,461.44
2022 STORM #11- 04/12/2022	4/12/2022	HLP/22/0011	108,771.67
2022 STORM #12- 04/25/2022	4/25/2022	HLP/22/0012	457,848.20
2022 STORM #13- 05/02/2022	5/2/2022	HLP/22/0013	144,966.24
2022 STORM #14- 05/05/2022	5/5/2022	HLP/22/0014	404,571.31
2022 STORM #15- 05/21/2022	5/21/2022	HLP/22/0015	783,835.46
2022 STORM #16- 05/24/2022	5/24/2022	HLP/22/0016	234,841.58

CenterPoint Energy Houston Electric, LLC  
Detail Support for Deficit Reserve Balance 12/31/2023  
Company Code 0003: General Ledger Account 179017 Regulatory Assets-Storm Reserve

Description	Date	SAP WBS Project Definition	Total
2022 STORM #17 - 5/25/2022	5/25/2022	HLP/22/0017	614,550.45
2022 STORM #18 - 06/19/2022	6/19/2022	HLP/22/0018	336,868.50
2022 STORM #19 - 07/01/2022	7/1/2022	HLP/22/0019	136,360.26
2022 STORM #20 - 07/09/2022	7/9/2022	HLP/22/0020	797,950.55
2022 STORM #21 - 07/14/2022	7/14/2022	HLP/22/0021	378,776.44
2022 STORM #22 - 08/10/2022	8/10/2022	HLP/22/0022	1,118,494.45
2022 STORM #23 - 08/18/2022	8/18/2022	HLP/22/0023	910,969.06
2022 STORM #24- 08/29/2022	8/29/2022	HLP/22/0024	294,345.52
2022 STORM #25 - 08/31/2022	8/31/2022	HLP/22/0025	141,899.16
2022 STORM #26 - 09/02/2022	9/2/2022	HLP/22/0026	10,595.74 [1]
2022 STORM #27 - 09/07/2022	9/7/2022	HLP/22/0027	246,655.82
2022 STORM #28 - 09/15/2022	9/15/2022	HLP/22/0028	129,266.97
2022 STORM #29 - 10/24/2022	10/24/2022	HLP/22/0029	565,387.15
2022 STORM #30- 10/28/2022	10/28/2022	HLP/22/0030	218,287.85
2022 STORM #31- 11/04/2022	11/4/2022	HLP/22/0031	237,255.04
2022 STORM #32 - 12/22/2022	12/22/2022	HLP/22/0032	860,731.52
2023 STORM #2 - 1/07/2023	1/7/2023	HLP/23/0002	173,993.36
2023 STORM #3 - 3/16/2023	3/16/2023	HLP/23/0003	397,275.96
2023 STORM #4 - 4/05/2023	4/5/2023	HLP/23/0004	582,672.08
2023 STORM #5 - 5/08/2023	5/8/2023	HLP/23/0005	1,375,170.41
2023 STORM #6- 4/20/2023	4/20/2023	HLP/23/0006	277,951.94
2023 STORM #7 - 5/13/2023	5/13/2023	HLP/23/0007	794,012.07
2023 STORM #8 - 6/08/2023	6/8/2023	HLP/23/0008	2,120,347.55
2023 STORM #9 -06-21-2023 Mini EOP Event	6/21/2023	HLP/23/0009	8,245,620.01
2023 STORM #10- 8/24/2023	8/24/2023	HLP/23/0010	295,408.87
2023 STORM #11- 8/27/2023	8/27/2023	HLP/23/0011	519,567.95
2023 STORM #1 - 1/24/2023 Tornado Event	1/24/2023	HLP/23/0001	6,318,511.90
2023 STORM #12- 9/08/2023	9/8/2023	HLP/23/0012	201,131.96
2023 STORM #13- 9/14/2023	9/14/2023	HLP/23/0013	923,713.19
2023 STORM #14- 10/03/2023	10/3/2023	HLP/23/0014	551,053.63
2023 STORM #15- 09/25/2023	9/25/2023	HLP/23/0015	211,326.59
2023 STORM #17 - 10/29/2023	10/29/2023	HLP/23/0017	304,204.67
2023 STORM #18 - 11/01/2023	11/1/2023	HLP/23/0018	287,382.71
2023 STORM #19 - 11/8/2023	11/8/2023	HLP/23/0019	357,411.48
2023 STORM #20 - 11/12/2023	11/12/2023	HLP/23/0020	419,248.19
2023 STORM #21 - 11/16/2023	11/16/2023	HLP/23/0021	483,656.31
2023 STORM #16 - 10/22/2023	10/22/2023	HLP/23/0016	528,918.76
2023 STORM #22 - 11/22/2023	11/22/2023	HLP/23/0022	366,592.07
<b>Total Storm Costs 2019 - 2023</b>			<b>67,147,092.75 A</b>

Property Insurance Reserve Accruals	Annual Accrual Amount	Year	Amount
Docket 38339 Order On Rehearing Finding of Fact 91			
Annual expected O&M losses from storm damage in excess of \$100,000	\$ 4,150,000.00	2019	4,150,000.00
Docket 38339 Order On Rehearing Finding of Fact 91			
Annual expected O&M losses from storm damage in excess of \$100,000	\$ 4,150,000.00	2020	1,291,111.10 [2]
Docket 49421 Final Order Finding of Fact 109			
Average annual expected operations and maintenance (O&M) expense losses from events where losses are greater than \$100,000	\$ 3,575,000.00	2020	2,462,777.80 [2]
Docket 49421 Final Order Finding of Fact 109			
Average annual expected operations and maintenance (O&M) expense losses from events where losses are greater than \$100,000	\$ 3,575,000.00	2021	3,575,000.00
Docket 49421 Final Order Finding of Fact 109			
Average annual expected operations and maintenance (O&M) expense losses from events where losses are greater than \$100,000	\$ 3,575,000.00	2022	3,575,000.00
Docket 49421 Final Order Finding of Fact 109			
Average annual expected operations and maintenance (O&M) expense losses from events where losses are greater than \$100,000	\$ 3,575,000.00	2023	3,575,000.00
Docket 49421 Final Order Finding of Fact 109			
\$4.11 million accrued annually for three years	\$ 4,110,000.00	04/23/2020 - 04/22/2023	\$ 12,330,000.00 [2]
<b>Total Property Insurance Reserve Accruals</b>			<b>30,958,888.90 B</b>

2018 Year End Balance of the Storm Reserve per books [deficit balance] 5,829,611.42 C

CenterPoint Energy Houston Electric, LLC  
Detail Support for Deficit Reserve Balance 12/31/2023  
Company Code 0003: General Ledger Account 179017 Regulatory Assets-Storm Reserve

Description	Date	SAP WBS Project Definition	Total	
<b>2023 Year End Balance of the Storm Reserve [deficit balance]</b>			<b>42,017,815.27</b>	<b>A - B + C</b>
Balance Per General Ledger Account 179017 Regulatory Assets-Storm Reserve			42,017,815.03	<b>D</b>
Property Insurance Reserve Accruals Rounding Difference			0.24	
<b>[1] 2019 - 2023 Storms under \$100,000 removed in Errata-2</b>			<b>199,055.59</b>	<b>E</b>
<b>Adjusted 2023 Balance</b>			<b>41,818,759.44</b>	<b>D - E</b>
[2] Docket 49421 rates were effective 04/23/2020				



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

**OFFICE OF PUBLIC UTILITY COUNSEL  
REQUEST NO.: OPUC-RFI08-02**

**QUESTION:**

Referencing the testimony of Mr. Wilson, Bates Page 2352, Line Nos. 17 – 19:

- a. Please explain in detail the rationale of including in customer rates today a cost for an event that may not be experienced but once every 25 years;
- b. Please explain how the Company's proposal to include the once in 25-year event in the analysis of the property loss reserve does not create a generational equity issue;and
- c. What would the recommended property loss reserve be if the reserve should only cover events that could happen in the next 5 years?

**ANSWER:**

- a. See CenterPoint Houston's response to Request No. HCC-RFI13-02.
- b. If the definition of generational equity issues relates to the perceived fairness or imbalance of the costs among different generations, we believe that the slightly higher reserve based on the 25-year storm lessens the generational issue because the cost of the reserve would be spread out over the years and the customers who happen to be active when a large storm hits would not be subject to significantly higher rates to recoup the losses.
- c. Of course, anything can happen in the next five years. However, a target reserve sufficient to cover a once-every-five-years storm would be approximately \$13,176,000.

**SPONSOR:**


Greg Wilson

**RESPONSIVE DOCUMENTS:**

None

### **CERTIFICATE OF SERVICE**

I certify that on June 17, 2024, this document was filed with the Public Utility Commission of Texas in Docket No. 56211, and a true and correct copy of it was served by electronic mail on all parties of record in this proceeding in accordance with the Second Order Suspending Rules issued in Project No. 50664.

  
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