

CenterPoint Energy Houston Electric, LLC
Applicable: ERCOT Region

in accordance with applicable PUC Substantive Rules. Interest shall accrue on any unpaid amount in accordance with applicable PUC Substantive Rules.

AGREEMENT

An executed interconnection agreement is required as a prerequisite to receiving service under this WDS Rate Schedule. A Wholesale Distribution Service Customer shall be responsible for all costs of interconnecting with the Company's Distribution System as detailed in the interconnection agreement, including any contributions in aid of construction required by the Company in the event that any new facilities or upgrades, extensions, or modifications to existing facilities are required to provide the requested service. A contribution in aid of construction will be based on the estimated cost of such facilities, upgrades, extensions, or modifications. All facilities constructed or modified by the Company shall remain the property of the Company.

NOTICE

Wholesale Distribution Service furnished under this rate schedule is subject to all Applicable Legal Authorities.

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SECTION 4.3. RIDER WDCRF - WHOLESALE DISTRIBUTION COST RECOVERY FACTOR

APPLICABILITY

Each Customer receiving Wholesale Distribution Service under the WDS Rate Schedule will be assessed a nonbypassable Distribution System Charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule §25.243, are necessitated by incremental distribution costs not included in the Company's last general rate case proceeding before the PUC.

MONTHLY RATE

The Customer will be assessed this Distribution Service Charge adjustment based on the monthly per unit cost (WDCRF) multiplied times the Customer's appropriate monthly billing determinant.

The WDCRF shall be calculated according to the following formula:

WDCRF =

$$\begin{aligned} & [((DIC_C - DIC_{RC}) * ROR_{AT}) + (DEPR_C - DEPR_{RC}) + (FIT_C - FIT_{RC}) + (OT_C - \\ & OT_{RC}) - \sum(DISTREV_{RC-CLASS} * \%GROWTH_{CLASS})] * ALLOC_{CLASS} / BD_{C-CLASS} \end{aligned}$$

Where:

DIC_C = Current Net Distribution Invested Capital.

DIC_{RC} = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.

ROR_{AT} = After-Tax Rate of Return as defined in Substantive Rule §25.243(d)(2).

$DEPR_C$ = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.

$DEPR_{RC}$ = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.

FIT_C = Current Federal Income Tax, as related to Current Net Distribution Invested Capital, including the change in federal income taxes related to the change in return on rate base and synchronization of interest associated with the change in rate base resulting from additions to and retirements of distribution plant as used to compute Net Distribution Invested Capital.

FIT_{RC} = Federal Income Tax, as related to Net Distribution Invested Capital from the last

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comprehensive base-rate proceeding.

OT_C = Current Other Taxes (taxes other than income taxes and taxes associated with the return on rate base), as related to Current Net Distribution Invested Capital, calculated using current tax rates and the methodology from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

OT_{RC} = Other Taxes, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$DISTREV_{RC-CLASS}$ (Distribution Revenues by rate class based on Net Distribution Invested Capital from the last comprehensive base-rate proceeding) = $(DIC_{RC-CLASS} * ROR_{AT}) + DEPR_{RC-CLASS} + FIT_{RC-CLASS} + OT_{RC-CLASS}$.

$\%GROWTH_{CLASS}$ (Growth in Billing Determinants by Class) = $(BD_{C-CLASS} - BD_{RC-CLASS}) / BD_{RC-CLASS}$

$DIC_{RC-CLASS}$ = Net Distribution Invested Capital allocated to the rate class from the last comprehensive base-rate proceeding.

$DEPR_{RC-CLASS}$ = Depreciation Expense, as related to Gross Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$FIT_{RC-CLASS}$ = Federal Income Tax, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$OT_{RC-CLASS}$ = Other Taxes, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$ALLOC_{CLASS}$ = Rate Class Allocation Factor approved in the last comprehensive base-rate proceeding, calculated as: total net distribution plant allocated to rate class, divided by total net distribution plant. For situations in which data from the last comprehensive base-rate proceeding are not available to perform the described calculation, the Rate Class Allocation Factor shall be calculated as the total distribution revenue requirement allocated to the rate class (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) divided by the total distribution revenue requirement (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) for all classes as approved by the PUC in the electric utility's last comprehensive base-rate case.

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The Allocation Factor for each listed rate schedule is as follows:

Residential Service	57.7950%
Secondary Service Less Than or Equal to 10 kVA	1.4407%
Secondary Service Greater Than 10 kVA	31.7602%
Primary Service and WDS	2.3438%
Transmission Service	0.1942%
Street Lighting Service	6.4661%

$BD_{C-CLASS}$ = Rate Class Billing Determinants (weather-normalized and adjusted to reflect the number of customers at the end of the period) for the 12 months ending on the date used for purposes of determining the Current Net Distribution Invested Capital. For customer classes billed primarily on the basis of kilowatt-hour billing determinants, the DCRF shall be calculated using kilowatt-hour billing determinants. For customer classes billed primarily on the basis of demand billing determinants, the DCRF shall be calculated using demand billing determinants.

$BD_{RC-CLASS}$ = Rate Class Billing Determinants used to set rates in the last comprehensive base-rate proceeding.

WDCRF EFFECTIVE FOR SCHEDULED METER READ DATES ON AND AFTER
[insert filing date]

Rate Class	WDCRF Charge	Billing Units
Wholesale Distribution Service	\$0.00	per Billing kVA

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).

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SECTION 4.4. RIDER WDIRA – WHOLESALE DISTRIBUTION INFLATION REDUCTION ACT 2022

APPLICABILITY

This rider is applicable each customer receiving Wholesale Distribution Service under the WDS Rate Schedule. This rider is the result of the Inflation Reduction Act of 2022 (“IRA”) to recover changes in the Company’s tax obligation.

MONTHLY RATE

The Customer’s IRA amount for the billing month shall be determined by multiplying the appropriate factor shown below by the Customer’s applicable billing determinant for the current month.

Rate Class	IRA Charge	Billing Units
Wholesale Distribution Service	\$0.00	per Billing kVA

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).

NOTICE

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

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SECTION 4.5. RIDER WTIRA – WHOLESALE TRANSMISSION INFLATION REDUCTION ACT 2022

APPLICABILITY

This rider is applicable to all Distribution Service Providers ("DSPs") receiving Wholesale Transmission Service under the WTS Rate Schedule. This rider is the result of the Inflation Reduction Act of 2022 ("IRA") to recover changes in the Company's tax obligation.

PRICING

For Service to Load Within ERCOT:

The monthly transmission service charge shall be calculated by multiplying (a) the monthly transmission service rate by (b) the DSP's previous year's average 4CP kW demand that is coincident with the ERCOT 4CP demand.

Transmission Service Monthly Rate: \$0.000000 per kW per Month

PAYMENT

All charges due to the Company under this rate schedule shall be billed in accordance with PUC Substantive Rule 25.202. The DSP shall make payment to Company in a manner consistent with the procedures and deadlines set forth in PUC Substantive Rule 25.202. Any late payments by DSP or default by DSP shall be handled in accordance with PUC Substantive Rule 25.202.

NOTICE

Wholesale transmission service furnished under this rate schedule is subject to Company's Terms and Conditions for Wholesale Transmission Service, Sheet No. 3.1, the terms of PUC Substantive Rules, Chapter 25, Subchapter I, Division 1, and applicable ERCOT Protocols, as amended from time to time.

CenterPoint Energy Houston Electric, LLC
Applicable: ERCOT Region**SECTION 4.6. RIDER WDR – WHOLESALE DISTRIBUTION REFUND****APPLICABILITY**

This rider is applicable each customer receiving Wholesale Distribution Service under the WDS Rate Schedule. This rider is the result of a refund.

MONTHLY RATE

The Customer's refund amount for the billing month shall be determined by multiplying the appropriate factor shown below by the Customer's applicable billing determinant for the current month.

Rate Class	Refund Charge	Billing Units
Wholesale Distribution Service	\$0.00	per Billing kVA

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).

NOTICE

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

Chapter 4: Rate Schedules
Section 4.7. Rider WTR – Wholesale Transmission Refund

Sheet No. 4.7
Page 1 of 1

CenterPoint Energy Houston Electric, LLC
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SECTION 4.7. RIDER WTR – WHOLESALE TRANSMISSION REFUND

APPLICABILITY

This rider is applicable to all Distribution Service Providers ("DSPs") receiving Wholesale Transmission Service under the WTS Rate Schedule. This rider is the result of a refund.

PRICING

For Service to Load Within ERCOT:

The monthly transmission service charge shall be calculated by multiplying (a) the monthly transmission service rate by (b) the DSPs average 4CP kW demand that is coincident with the 2023 ERCOT 4CP demand, as approved in Docket No. 56050.

Transmission Service Monthly Rate: \$0.000000 per kW per Month

MONTHLY BILL AMOUNT

Rider WTR amount to be refunded is determined by multiplying the DSPs 4CP demand coincident with the 2023 ERCOT 4CP demand used in the calculation of the WTR by the WTR monthly rate.

NOTICE

Wholesale transmission service furnished under this rate schedule is subject to Company's Terms and Conditions for Wholesale Transmission Service, Sheet No. 3.1, the terms of PUC Substantive Rules, Chapter 25, Subchapter I, Division 1, and applicable ERCOT Protocols, as amended from time to time.

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

APPLICATION OF CENTERPOINT	§	
ENERGY HOUSTON ELECTRIC, LLC	§	BEFORE THE STATE OFFICE OF
FOR AUTHORITY TO CHANGE	§	ADMINISTRATIVE HEARINGS
RATES	§	
<u>STIPULATION AND SETTLEMENT AGREEMENT</u>		

Exhibit D

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
\$10,000,000 gross plant disallowance
TEST YEAR ENDING 12/31/2023
DOCKET NO. 56211

Exhibit D
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

Specific Projects	\$	(7,522,046)
Additional	\$	(2,477,955)
Total	\$	(10,000,000)

Plant FERC Account	Description	Specific Gross Plant Amount	Additional Gross Plant Amount	Total Gross Plant Amount	Accum Reserve Amount	Net Plant Amount	ADIT Amount ¹	Net Write-off Amount
A350.01	Land Owned in Fee	\$ (40,692)	\$ (33,358)	\$ (74,050)	\$ -	\$ (74,050)	\$ -	\$ (74,050)
A350.02	Land Rights	(1,321)	(69,419)	(70,740)	332	(70,408)	1,004	(69,404)
A352.01	Structures and Improvements	(408,049)	(134,201)	(542,249)	72,638	(469,611)	44,218	(425,393)
A353.01	Station Equipment	(4,250,126)	(629,761)	(4,879,888)	914,884	(3,965,004)	341,540	(3,623,464)
A354.01	Towers and Fixtures	(637,419)	(579,669)	(1,217,088)	117,209	(1,099,878)	109,144	(990,734)
A355.01	Poles and Fixtures	(83,287)	(85,928)	(169,214)	20,231	(148,983)	14,325	(134,658)
A356.01	O.H. Conductors & Devices	(1,118,080)	(420,995)	(1,539,076)	184,339	(1,354,737)	130,220	(1,224,517)
A357.01	Underground Conduit	-	(26,166)	(26,166)	-	(26,166)	2,891	(23,275)
A358.01	Underground Conductors	-	(10,079)	(10,079)	-	(10,079)	1,113	(8,966)
A359.01	Roads and Trails	(334,295)	(56,052)	(390,348)	25,102	(365,245)	37,702	(327,544)
A360.01	Land Owned in Fee	(33,565)	(9,686)	(43,251)	-	(43,251)	-	(43,251)
A360.02	Land Rights	-	(42)	(42)	-	(42)	1	(41)
A361.01	Structures & Improvements	(34,372)	(25,069)	(59,441)	1,498	(57,943)	4,856	(53,087)
A362.01	Station Equipment	(551,320)	(311,376)	(862,696)	52,280	(810,416)	63,876	(746,540)
A365.01		(4)	-	(4)	0	(4)	0	(4)
A366.01		(11,452)	-	(11,452)	317	(11,135)	929	(10,205)
A367.01		(4,902)	-	(4,902)	232	(4,670)	377	(4,293)
A390.01	Structures and Improvements	-	(20,706)	(20,706)	-	(20,706)	628	(20,078)
A397.01	Microwave Equipment	-	(46,682)	(46,682)	-	(46,682)	8,655	(38,026)
A397.02	Computer Equipment	(13,163)	(18,766)	(31,929)	8,058	(23,871)	5,121	(18,750)
Total		\$ (7,522,046)	\$ (2,477,955)	\$ (10,000,000)	\$ 1,397,120	\$ (8,602,880)	\$ 766,601	\$ (7,836,279)

1 ADIT Amounts by FERC are not available; figures are an allocation of total ADIT amount on the basis of gross plant and do not represent true ADIT Amounts by Plant FERC Account.

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

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

Exhibit E

**PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

**Exhibit E
SOAH Docket No. 473-24-13232
PUC Docket No. 56211**

**PURA § 36.065 Baselines
DOCKET NO. 56211**

Description	Benefit Expense - Direct	Benefit Expense - Affiliate	Total
Qualified defined benefit pension plan	\$9,474,480	\$2,130,813	\$11,605,293
Other Postemployment Benefits (OPEB)	(\$1,539,232)	\$1,044,246	(\$494,986)
Qualified defined contribution pension plan	\$11,335,172	\$1,447,475	\$12,782,647
Total	\$19,270,420	\$4,622,534	\$23,892,954

Source: Direct Testimony of Kristie J. Colvin, pgs 46 - 47, table 2

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

APPLICATION OF CENTERPOINT	§	
ENERGY HOUSTON ELECTRIC, LLC	§	BEFORE THE STATE OFFICE OF
FOR AUTHORITY TO CHANGE	§	ADMINISTRATIVE HEARINGS
RATES	§	
<u>STIPULATION AND SETTLEMENT AGREEMENT</u>		

Exhibit F

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
Long Lead Time Facilities Baseline
DOCKET NO. 56211

Exhibit F
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

Description

Qualifying LLTF Balance as of 12/31/2023 \$31,161,482

Source: Direct Testimony of Carla A. Kneipp, pg 24

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

APPLICATION OF CENTERPOINT	§	
ENERGY HOUSTON ELECTRIC, LLC	§	BEFORE THE STATE OFFICE OF
FOR AUTHORITY TO CHANGE	§	ADMINISTRATIVE HEARINGS
RATES	§	
<u>STIPULATION AND SETTLEMENT AGREEMENT</u>		

Exhibit G

Attachment A
Section 1
Page 1 of 4

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
TCRF CALCULATION
BASED ON WHOLESALE TRANSMISSION RATE CHANGES
FOR IMPLEMENTATION MARCH 1, 2025

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1.	TCRF	=	$\frac{\left\{ \left[\sum_{i=1}^N (NWTR_i * NL_i) - \sum_{i=1}^N (BWTR_i * NL_i) \right] * 1/2 * ALLOC \right\} + ADJ}{BD}$							
2.	$\sum_{i=1}^N (NWTR_i * NL_i)$	=	\$1,294,826,640	Sum of the product of each new wholesale transmission rate (NWTR) multiplied times the respective CenterPoint 4CP load component of the total ERCOT 4CP load used to develop the NWTR						
3.	$\sum_{i=1}^N (BWTR_i * NL_i)$	=	\$0	Sum of the product of each base wholesale transmission rate of the TSP represented in the NWTR multiplied times the respective CenterPoint 4CP load component of the total ERCOT 4CP load used to develop the NWTR for that TSP						
4.	(Line 2 - Line 3) * 1/2	=	\$647,413,320	TCRF base revenue requirement for the period to calculate rates to be collected from retail customers located in CenterPoint Energy's service territory for period						
5.	BD	=	see col. (h) below	CenterPoint Energy's billing determinants from prior six months period (Mar - Aug)						
6.	ALLOC	=	see col. (c) below	Allocation factor per CenterPoint Energy's Rider TCRF, Sheet No. 6.13, Page 2 of 3.						
7.	ADJ	=	see col. (f) below	Adjustment to class TCRF dollars						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
				TCRF Base	Class TCRF	Adjustment to Class	Total Class			

Attachment A
Section 2
Page 2 of 4

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
TCRF CALCULATION - SEMI ANNUAL BASE REVENUE REQUIREMENT
BASED ON WHOLESALE TRANSMISSION RATE CHANGES

Line No.	Status	Effective Date	Company	Docket No.	ERCOT Peak	Base Rate	New Rate	Change in Rate	Company Peak	NWTR * NL	BWTR * NL	Annualized TCRF Base Revenue Requirement	Semi-Annual TCRF Base Revenue Requirement
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)=(h)*(f)	(j)=(h)*(e)	(k)=(i)-(j)	(l)=(k)/2
1	New	10/1/2024	AEP Texas	56165	83,685,241.4	\$	8.411976	\$	20,912,147.5	\$	175,912,483.26	\$	87,956,241.63
2		8/24/2022	Austin Energy	53235	72,490,325.3	\$	1.248240	\$	18,358,273.2	\$	22,915,530.98	\$	11,457,765.49
3		12/14/2020	Bandera Electric Coop	51420	70,980,872.4	\$	0.079464	\$	17,922,833.4	\$	1,424,220.04	\$	712,110.02
4	New	11/1/2024	Bluebonnet Electric	56400	76,848,305.7	\$	0.059034	\$	18,732,156.9	\$	1,105,834.15	\$	552,917.08
5		10/6/2020	Brazos Electric Power Coop	51019	70,980,872.4	\$	1.889952	\$	17,922,833.4	\$	33,873,294.89	\$	16,936,647.44
6		1/14/2022	Brownsville Public Utilities Board	51536	70,937,625.2	\$	0.138876	\$	18,051,956.9	\$	2,506,983.57	\$	1,253,491.79
7		9/15/2023	Bryan Texas Utilities	54945	72,490,325.3	\$	0.533694	\$	18,358,273.2	\$	9,797,700.27	\$	4,898,850.14
8		10/6/2023	CenterPoint Energy Houston Electric	55383	76,713,857.9	\$	7.829844	\$	18,732,156.9	\$	146,669,866.51	\$	73,334,933.26
9		1/29/2021	Cherokee County Electric Coop	51535	70,980,872.4	\$	0.002892	\$	17,922,833.4	\$	51,832.83	\$	25,916.42
10		4/11/2024	City of College Station	52728	83,556,845.9	\$	0.082820	\$	20,912,147.5	\$	1,731,944.06	\$	865,972.03
11	New	10/2/2024	City of Lubbock	54657	76,848,305.7	\$	0.567495	\$	18,732,156.9	\$	10,630,405.38	\$	5,315,202.69
12		11/4/2022	Cross Texas Transmission, LLC	53894	72,490,325.3	\$	0.985908	\$	18,358,273.2	\$	18,099,568.44	\$	9,049,784.22
13		2/12/2021	Deep East Texas Electric Coop	51562	70,980,872.4	\$	0.002088	\$	17,922,833.4	\$	37,422.88	\$	18,711.44
14		3/4/2024	Denton Municipal Electric	56102	76,713,857.9	\$	0.333063	\$	18,732,156.9	\$	6,238,988.38	\$	3,119,494.19
15		1/14/2021	East Texas Electric Coop	50295	69,368,963.5	\$	0.003528	\$	17,323,382.3	\$	61,116.89	\$	30,558.45
16	New	8/21/2024	Electric Transmission Texas	56761	83,685,241.4	\$	4.517080	\$	20,912,147.5	\$	94,461,843.43	\$	47,230,921.72
17		1/21/2020	Fannin Electric Coop	50218	69,368,963.5	\$	0.002196	\$	17,323,382.3	\$	38,042.15	\$	19,021.07
18		12/14/2017	Farmers Electric Coop	47470	67,690,205.6	\$	0.009901	\$	17,317,722.8	\$	171,462.77	\$	85,731.39
19	New	11/1/2024	Fayette Electric Cooperative	55958	69,368,963.5	\$	0.000953	\$	17,323,382.3	\$	16,509.18	\$	8,254.59
20		8/27/2020	Floresville Electric Power System	50205	69,368,963.5	\$	0.006444	\$	17,323,382.3	\$	111,631.88	\$	55,815.94
21		4/12/2021	Garland Power and Light	51798	70,517,732.7	\$	0.908856	\$	18,051,956.9	\$	16,406,629.37	\$	8,203,314.68
22	New	6/5/2024	GEUS	56357	76,848,305.7	\$	0.050457	\$	18,732,156.9	\$	945,168.44	\$	472,584.22
23		3/9/2023	Golden Spread Electric Coop	52828	70,937,625.2	\$	0.101955	\$	18,051,956.9	\$	1,840,487.27	\$	920,243.63
24		12/18/2020	Grayson-Collin Electric Coop	51464	70,980,872.4	\$	0.022728	\$	17,922,833.4	\$	407,350.16	\$	203,675.08
25	New	11/1/2024	Guadalupe Valley Electric	56601	76,713,857.9	\$	0.287087	\$	18,732,156.9	\$	5,377,758.73	\$	2,688,879.36
26		11/3/2022	Houston County Electric Coop	53652	72,490,325.3	\$	0.022668	\$	18,358,273.2	\$	416,145.34	\$	208,072.67
27	New	11/1/2024	Kerville Public Utility Board	56097	69,368,963.5	\$	0.001703	\$	17,323,382.3	\$	29,505.18	\$	14,752.59
28		4/17/2020	Lamar County Electric Coop	50036	69,368,963.5	\$	0.004135	\$	17,323,382.3	\$	71,632.19	\$	35,816.09
29		10/15/2021	Lone Star Transmission	52480	70,937,625.2	\$	1.358724	\$	18,051,956.9	\$	24,527,627.13	\$	12,263,813.56
30	New	11/1/2024	LCRA	55867	76,713,857.9	\$	8.628581	\$	18,732,156.9	\$	161,631,933.34	\$	80,815,966.67
31		11/4/2019	Lyntegar Electric Coop	49943	69,368,963.5	\$	0.011365	\$	17,323,382.3	\$	196,880.24	\$	98,440.12
32	New	11/1/2024	New Braunfels Utilities	55950	67,690,205.6	\$	0.037325	\$	17,317,722.8	\$	646,384.00	\$	323,192.00
33		9/11/2023	Oncor Electric Delivery	55282	76,713,857.9	\$	19.401534	\$	18,732,156.9	\$	363,432,572.32	\$	181,716,286.16
34		5/1/2023	Oncor NTU	53601	76,713,857.9	\$	-	\$	18,732,156.9	\$	-	\$	-
35	New	11/1/2024	Pedernales Electric	56232	76,713,857.9	\$	0.417951	\$	18,732,156.9	\$	7,829,123.71	\$	3,914,561.85
36		11/3/2023	Rayburn Country	55466	76,713,857.9	\$	0.792607	\$	18,732,156.9	\$	14,847,238.68	\$	7,423,619.34
37		8/3/2021	Rio Grande Electric Coop	50302	69,368,963.5	\$	0.009864	\$	17,323,382.3	\$	170,877.84	\$	85,438.92
38		3/29/2023	San Antonio City Public Service	54035	72,490,325.3	\$	3.175706	\$	18,358,273.2	\$	58,300,478.44	\$	29,150,239.22
39	New	10/2/2024	San Bernard Electric Coop	56639	83,685,241.4	\$	-	\$	20,912,147.5	\$	-	\$	-
40		10/30/2019	San Miguel Electric Coop	49900	69,368,963.5	\$	0.020501	\$	17,323,382.3	\$	355,146.66	\$	177,573.33
41		7/15/2021	Sharyland Utilities	51611	70,937,625.2	\$	0.563436	\$	18,051,956.9	\$	10,171,122.40	\$	5,085,561.20
42	New	10/2/2024	South Texas Electric Coop	56639	83,685,241.4	\$	1.298376	\$	20,912,147.5	\$	27,151,830.48	\$	13,575,915.24
43		1/3/2020	Southwest Texas Electric Coop	50201	69,368,963.5	\$	0.000948	\$	17,323,382.3	\$	16,422.57	\$	8,211.28
44		12/22/2020	Texas Municipal Power Agency	51439	70,980,872.4	\$	0.435480	\$	17,922,833.4	\$	7,805,035.50	\$	3,902,517.75
45	New	9/20/2024	Texas-New Mexico Power Company	56860	83,685,241.4	\$	1.954246	\$	20,912,147.5	\$	40,867,480.69	\$	20,433,740.35
46		2/4/2019	Trinity Valley Electric Coop	48828	67,273,101.1	\$	0.010713	\$	16,772,794.0	\$	179,686.94	\$	89,843.47
47		1/25/2021	Wood County Electric Coop	51546	70,980,872.4	\$	0.001896	\$	17,922,833.4	\$	33,981.69	\$	16,990.85
48	New	7/9/2024	Wind Energy Transmission Texas, LLC	56602	83,685,241.4	\$	1.441757	\$	20,912,147.5	\$	30,150,235.11	\$	15,075,117.55
SUBTOTAL- TCOS CHANGES										\$	1,299,665,416.37	\$	649,832,708.19
Rate Case Expenses/Storm/Refunds/Remands													
49		9/2/2022	East Texas Electric Credit Rider ⁴¹	53622	72,490,325.3	\$	(0.013704)	\$	18,358,273.2	\$	(251,581.78)	\$	(125,790.89)
50		11/14/2023	City of Lubbock WTS Credit Rider ⁵³	55439	76,713,857.9	\$	(0.286780)	\$	18,732,156.9	\$	(5,372,007.96)	\$	(2,686,003.98)
51		4/11/2024	City of College Station Rate Case Expenses ⁵⁷	52728	70,937,625.2	\$	0.003480	\$	18,051,956.9	\$	62,820.81	\$	31,410.41
52	New	10/2/2024	City of Lubbock - RCE ⁶⁰	54657	76,848,305.7	\$	0.007188	\$	18,732,156.9	\$	134,646.74	\$	67,323.37
53	New	11/1/2024	AEP Texas - RCE ⁶¹	56165	83,685,241.4	\$	0.017520	\$	20,912,147.5	\$	366,380.82	\$	183,190.41
54	New	11/1/2024	LCRA ⁶²	55867	76,713,857.9	\$	0.011796	\$	18,732,156.9	\$	220,964.52	\$	110,482.26
SUBTOTAL- RATE CASE EXPENSES/REFUNDS/STORM										\$	(4,838,776.84)	\$	(2,419,388.42)
TOTAL TCRF AMOUNT										\$	1,294,826,639.54	\$	647,413,319.77
Status Legend: Old Has New Rate Approved (See subsequent Docket)													
New New TCOS rate (had previous update from base)													
Pending Pending a new filing to be approved (See subsequent Docket)													
Filed Waiting for approval/outcome													
Footnotes annotated in work papers.													
Dockets since the last TCRF filing (Filed 06/04/2024 Effective September 2024)													

CenterPoint Energy LLC
Semi-Annual TCRF Total Adjustment Calculation for March 2025
Total All Classes

Line	Description	May	Jun	Jul	Aug	Sept	Oct	Total
1	Period (p)	1	2	3	4	5	6	
2	TCRF Expense Not in Base (Attachment A Page 3 of 4)	\$116,416,070.09	\$116,424,043.86	\$116,596,924.64	\$116,697,571.44	\$115,677,034.93	\$109,202,526.95	\$691,014,171.91
3	Class Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
4	Class TCRF Not in Base (Ln 2 * Ln 3)	\$116,416,070.09	\$116,424,043.86	\$116,596,924.64	\$116,697,571.44	\$115,677,034.93	\$109,202,526.95	\$691,014,171.91
5	Class TCRF Revenue (Attachment A Page 4 of 4)	\$86,526,920.35	\$91,608,567.08	\$102,320,999.28	\$109,456,304.53	\$156,807,663.13	\$168,863,501.00	\$715,583,955.37
6	ADJP1	\$0.00	\$0.00	\$0.00	\$0.00	\$23,145,211.76	\$23,145,211.76	\$46,290,423.53
7	ADJP2	(\$14,844,200.78)	(\$14,844,200.78)	(\$14,844,200.78)	(\$14,844,200.78)	\$0.00	\$0.00	(\$59,376,803.11)
8	Adjusted Class TCRF Revenue (Ln 9 = Ln 5 - Ln 6 - Ln 7)	\$101,371,121.13	\$106,452,767.86	\$117,165,200.06	\$124,300,505.31	\$133,662,451.37	\$145,718,289.24	\$728,670,334.95
9	Under/(Over) Recovery (Ln 4 - Ln 8)	\$15,044,948.96	\$9,971,276.00	(\$568,275.41)	(\$7,602,933.87)	(\$17,985,416.43)	(\$36,515,762.28)	(\$37,656,163.04)
10	Cumulative Under/(Over) Recovery	\$15,044,948.96	\$25,016,224.97	\$24,447,949.55	\$16,845,015.68	(\$1,140,400.75)	(\$37,656,163.04)	

ADJP1 = 1/6th of (over)/under recovery from previous TCRF update true-up periods 5 & 6

ADJP2 = 1/6th of (over)/under recovery from second previous TCRF update true-up periods 1 through 4

	Total	1/6th	TCRF Filing Update Period
ADJP1	\$ 138,871,270.59	\$23,145,211.76	September 2024
ADJP2	-\$89,065,204.66	-\$14,844,200.78	March 2024
ADJP1 Filename:			
CNP TCRF Rate Update 9-01-2024 (56680).xlsx	\$ 138,871,270.59	Checked	
ADJP2 Filename:			
CNP TCRF Rate Update 3-01-2024 Amended (55930).xlsx	\$ (89,065,204.66)	Checked	

Exhibit G
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

RATE CLASS	CURRENT ALLOCATION FACTORS	PROPOSED ALLOCATION FACTORS
Residential	47.61%	48.92%
Secondary <=10 Kva	0.83%	0.65%
Secondary > 10 Kva	34.69%	29.03%
IDR	13.69%	10.21%
Non-IDR	21.00%	18.81%
Primary	3.41%	3.08%
IDR	3.10%	2.74%
Non-IDR	0.31%	0.34%
Transmission	13.46%	18.32%
Lighting Services	0.00%	0.00%
Street Lighting Service	0.00%	0.00%
Miscellaneous Lighting Service	0.00%	0.00%
TOTAL	100.00%	100.00%

* Proposed allocation factors to be used in future TCRF updates.

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

APPLICATION OF CENTERPOINT	§	
ENERGY HOUSTON ELECTRIC, LLC	§	BEFORE THE STATE OFFICE OF
FOR AUTHORITY TO CHANGE	§	ADMINISTRATIVE HEARINGS
RATES	§	
<u>STIPULATION AND SETTLEMENT AGREEMENT</u>		

Exhibit H

Distribution Cost Recovery Factor
CenterPoint Energy Houston Electric, LLC
Update Period 1/1/2019 - 12/31/2023

Exhibit H
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

DCRF Baseline Rate Case Values

PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC
P.U.C. DOCKET NO. 56211
FOR THE TEST YEAR ENDED 12/31/2023

Description	DIST	Residential	Secondary ≤10 KVA	Secondary >10 KVA	Primary Voltage	Transmission Voltage	Lighting Total
DIC _{DC-CLASS}	\$7,484,418,912	\$4,305,759,651	\$107,321,433	\$2,380,125,434	\$173,447,624	\$14,636,352	\$503,128,418
ROR _{DC}	6.61%	6.61%	6.61%	6.61%	6.61%	6.61%	6.61%
DEPR _{DC-CLASS}	\$309,452,153	\$238,103,988	\$7,261,945	\$119,262,126	\$8,688,047	\$896,988	\$25,738,859
FTT _{DC-CLASS}	\$72,497,706	\$41,721,634	\$1,037,701	\$23,194,226	\$1,689,256	\$142,954	\$4,711,935
OT _{DC-CLASS}	\$91,627,643	\$55,459,793	\$1,312,011	\$28,261,198	\$2,172,582	\$141,805	\$6,280,233
DISTR _{DC-CLASS}	\$1,058,297,597	\$617,896,128	\$16,705,604	\$138,044,042	\$24,014,773	\$2,149,230	\$69,487,816
ALLOCC _{DC-CLASS}	100.00%	57.7950%	1.4407%	31.7602%	2.3438%	0.1942%	6.4661%
BD _{DC-CLASS}		\$1,818,982,594	\$73,664,925	\$109,447,265	\$4,040,627	\$7,274,575	\$23,863,290
BD _{DC-CLASS} BASIS		per kWh	per kWh	per Billing kVA	per Billing kVA	per 4CP kVA	per kWh

DIC_{RC} & DIC_{RC-CLASS}

Account Number	Description	DIST	Residential	Secondary ≤10 KVA	Secondary >10 KVA	Primary Voltage	Transmission Voltage	Lighting Total
Intangible Plant - Net								
30301	Misc Intangible Plant - MF S/W	\$76,331	\$55,088	\$2,855	\$15,437	\$1,373	\$949	\$630
30302	Misc Intangible Plant - NMF S/W	\$10,195,638	\$7,358,100	\$381,304	\$2,061,990	\$183,401	\$126,739	\$84,103
30302-5	Intangible EFM Equipment (5 Yrs)	\$29,370,849	\$21,196,676	\$1,098,433	\$5,940,831	\$528,328	\$365,102	\$242,279
30302-7	Intangible EFM Equipment (7 Yrs)	\$13,344,600	\$9,630,677	\$499,071	\$2,698,844	\$240,045	\$165,883	\$110,079
30302-10	Intangible EFM Equipment (10 Yrs)	\$103,102,462	\$74,408,116	\$3,855,903	\$20,851,689	\$1,854,624	\$1,281,641	\$850,489
30302-15	Intangible EFM Equipment (15 Yrs)	\$87,376,282	\$63,058,674	\$3,267,763	\$17,671,189	\$1,571,739	\$1,086,151	\$720,764
Transmission Plant - Net								
33201	Structures and Improvements	\$9,781,709	\$5,327,764	\$139,728	\$1,930,685	\$403,532	\$0	\$0
33301	Station Equipment	\$108,686,661	\$59,197,928	\$1,330,326	\$43,674,679	\$4,483,728	\$0	\$0
Distribution Plant - Net								
36001	Land Owned in Fee	\$101,416,340	\$55,238,031	\$1,241,337	\$40,753,171	\$4,183,800	\$0	\$0
36002	Land and Land Rights	\$585,880	\$119,109	\$7,171	\$235,430	\$24,170	\$0	\$0
36101	Structures and Improvements	\$82,703,109	\$45,045,571	\$1,012,287	\$33,233,441	\$3,411,810	\$0	\$0
36201	Station Equipment	\$750,640,441	\$397,954,999	\$8,943,049	\$293,600,765	\$30,141,629	\$0	\$0
36401	Poles, Towers & Fixtures	\$1,016,882,059	\$563,343,488	\$12,693,353	\$403,124,330	\$37,720,889	\$0	\$0
36501	Overhead Conductors and Devices	\$1,063,032,572	\$588,560,150	\$13,261,539	\$421,369,183	\$40,041,700	\$0	\$0
36601	Underground Conductors	\$519,658,175	\$394,906,141	\$2,100,830	\$112,356,597	\$10,294,604	\$0	\$0
36701	Underground Conductors and Devices	\$966,662,174	\$711,046,402	\$15,551,066	\$213,381,524	\$18,881,182	\$0	\$0
36801	Line Transformers	\$1,451,935,189	\$831,308,634	\$18,731,190	\$594,878,158	\$9,017,206	\$0	\$0
36901	Services	\$136,935,806	\$102,968,264	\$17,591,140	\$16,174,402	\$0	\$0	\$0
37001.1	Meters - Meters	\$2,405,268	\$0	\$165,100	\$19,389,175	\$2,907,370	\$1,594,624	\$0
37001.2	Meters - Transformers	\$57,413,883	\$0	\$0	\$1,393,117	\$2,653,192	\$53,167,371	\$0
37002	Advanced Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37002.1	Meters - Meters	\$19,501,011	\$0	\$133,837	\$15,717,671	\$2,356,835	\$1,292,668	\$0
37002.2	Meters - Transformers	\$46,542,077	\$0	\$0	\$1,129,481	\$2,150,788	\$43,261,809	\$0
37003.1	Automated Meters - Meters	\$191,645,706	\$170,575,879	\$10,819,333	\$10,222,566	\$27,928	\$0	\$0
37003.2	Automated Meters-Transformers	\$64,794,826	\$2,656,590	\$3,511,882	\$58,185,799	\$440,605	\$0	\$0
37301.1	Automated Meters - Meters	\$52,215,395	\$46,474,753	\$2,947,813	\$2,785,219	\$7,609	\$0	\$0
37301.2	Automated Meters-Transformers	\$17,653,879	\$723,809	\$956,840	\$15,853,183	\$120,846	\$0	\$0
37301	Street Lighting and Signal Systems	\$484,814,162	\$0	\$0	\$0	\$0	\$0	\$484,814,162
37302	Security Lighting and Signal Systems	\$10,828,750	\$0	\$0	\$0	\$0	\$0	\$10,828,750
37401	Security Lighting	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37403	Asset Retirement Cost Dist Plant	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Plant-Net								
39101	Office Furniture & Equip.	\$9,203,896	\$5,798,645	\$145,264	\$2,834,312	\$255,767	\$8,722	\$161,186
Communication - Net								
39701	Communication Equipment	\$259,731,756	\$168,775,465	\$5,317,821	\$74,041,364	\$6,670,654	\$983,569	\$4,823,084
39702	Computer Equipment	\$83,455,700	\$54,227,819	\$1,708,175	\$23,793,110	\$2,143,628	\$290,074	\$1,292,893
Total DCRF Distribution Net Plant		\$7,484,418,912	\$4,305,759,651	\$107,321,433	\$2,380,125,434	\$173,447,624	\$14,636,352	\$503,128,418

CenterPoint Energy Houston Electric
 Exhibit H - Baseline for Distribution Cost Recovery Factor

(1)

Line No.	Description	Total Approved Docket No. 56211 Final Order
1	Operation & Maintenance Expense, Including A&G	\$ 1,830,351,692
2	Depreciation & Amortization ⁽²⁾	433,199,483
3	Taxes Other Than Income Taxes ⁽³⁾	268,472,096
4	Federal Income Tax ⁽⁴⁾	67,021,890
5	Return on Rate Base ⁽⁵⁾	465,407,226
6		
7	Total Revenue Requirement	\$ 3,064,452,387
8		
9	Other Revenues ⁽¹⁾	(41,273,710)
10		
11	Total DCRF	<u>\$ 3,023,178,677</u>
12		
13	^(Note 1) Schedules and workpapers may have slight variances due to rounding.	
14	⁽²⁾ From: Schedule E-1	
15	⁽³⁾ From: Schedule E-2	
16	⁽⁴⁾ From: Schedule E-3	
17	⁽⁵⁾ From: Schedule B	

CenterPoint Energy Houston Electric
 Exhibit H - Baseline for Distribution Cost Recovery Factor

(1)

Line No.	Description	Balance Approved Docket No. 56211 Final Order
1	Direct Assigned:	
2	Plant in Service ⁽¹⁾	\$ 10,811,850,172
3	Accumulated Depreciation ⁽²⁾	(9,327,431,260)
4	Net Plant in Service	\$ 7,484,418,912
5		
6	Allocated Plant Accounts - Net ⁽³⁾	404,409,882
7		
8	CWIP ⁽³⁾	-
9		
10	Working Capital:	
11	Plant Held for Future Use ⁽³⁾	217,135
12	Accumulated Provisions ⁽³⁾	29,289,710
13	Accumulated Deferred Federal Income Tax (ADFIT)	(8,161,822,633)
14	Materials and Supplies ⁽³⁾	170,266,544
15	Cash Working Capital ⁽³⁾	5,616,665
16	Prepayments ⁽³⁾	54,763,438
17	Other	
18	Customer Deposits & Advances ⁽³⁾	-
19	Reg Assets ⁽³⁾	215,037,262
20	Reg Liabilities ⁽³⁾	(502,187,586)
21	Subtotal	\$ (843,819,466)
22		
23	Total Rate Base	\$ 7,045,009,328
24		
25	Rate of Return ⁽³⁾	6.61%
26		
27	Return on Rate Base	\$ 465,407,226

⁽¹⁾ Per the provisions of Substantive Rule 25.243(d)(2).

^(Note 1) Weighted rate of return calculated based upon P.U.C. Subst. R. 25.243(d)(2)

⁽¹⁾ From: Schedule B-1

⁽²⁾ From: Schedule B-5

⁽³⁾ To: Schedule A

Exhibit H
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

CenterPoint Energy Houston Electric			
Exhibit H - Baseline for Distribution Cost Recovery Factor			
			(1)
Line No.	Category	Account No. & Description	Balance approved in Docket No. 56211
1	Intangible Plant	30302: Misc Intangible Plant - NMF S/W	\$ 31,187,131
2		30302-5: Intangible EFM Equipment (5 Yrs)	38,940,379
3		30302-7: Intangible EFM Equipment (7 Yrs)	25,357,948
4		30302-10: Intangible EFM Equipment (10 Yrs)	216,044,170
5		30302-15: Intangible EFM Equipment (15 Yrs)	118,893,137
6		Subtotal	\$ 430,422,764
7			
8	Transmission Plant	35201: Structures and improvements	11,125,061
9		35301: Station Equipment	127,145,256
10		Subtotal	\$ 138,270,316
11			
12	Distribution Plant	36001: Land Owned in Fee	101,416,340
13		36002: Land and Land Rights	1,285,390
14		36101: Structures and Improvements	109,618,070
15		36201: Station Equipment	991,914,538
16		36401: Poles, Towers & Fixtures	1,397,481,413
17		36501: O.H. Conductors & Devices	1,454,203,536
18		36601: Underground Conduits	787,317,724
19		36701: U.G. Conductors & Devices	1,468,196,384
20		36801: Line Transformers	1,998,918,950
21		36901: Services	256,082,616
22		37001: Meters	81,470,149
23		37003: Automated Meters	256,440,582
24		37301: Street Lights	770,190,596
25		37302: Security Lighting	14,828,709
26		37401: Security Lighting	-
27		Subtotal	\$ 9,689,364,997
28			
29	General Plant	39101: Office furniture and equipment	14,824,043
30		39701: Microwave Equipment	401,780,412
31		39702: Computer Equipment	137,187,639
32		Subtotal	\$ 553,792,094
33			
34		Subtotal	\$ 10,811,850,172
35			
36		Allocated Accounts: Allocated Accounts	560,829,399
37			
38		Total	\$ 11,372,679,571
39			
40			

CenterPoint Energy Houston Electric			
Exhibit H - Baseline for Distribution Cost Recovery Factor			
			(1)
Line No.	Category	Account No. & Description	Balance approved in Docket No. 56211
1	Distribution Accumulated Depreciation		
2	Intangible Plant	30301: Misc Intangible Plant - MF S/W	\$ 76,331
3		30302: Misc Intangible Plant - NMF S/W	(20,991,493)
4		30302-5: Intangible EFM Equipment (5 Yrs)	(9,569,530)
5		30302-7: Intangible EFM Equipment (7 Yrs)	(12,013,348)
6		30302-10: Intangible EFM Equipment (10 Yrs)	(112,941,708)
7		30302-15: Intangible EFM Equipment (15 Yrs)	(31,516,855)
8		Subtotal	\$ (186,956,602)
9			
10	Transmission Plant	35201: Structures and improvements	(1,343,351)
11		35301: Station Equipment	(18,458,595)
12		Subtotal	\$ (19,801,946)
13			
14	Distribution Plant	36002: Land and Land Rights	(699,510)
15		36101: Structures and Improvements	(26,914,961)
16		36201: Station Equipment	(261,274,095)
17		36401: Poles, Towers & Fixtures	(380,599,354)
18		36501: O.H. Conductors & Devices	(391,170,963)
19		36601: Underground Conduits	(267,659,550)
20		36701: U.G. Conductors & Devices	(501,534,210)
21		36801: Line Transformers	(544,983,761)
22		36901: Services	(119,146,810)
23		37001: Meters	(86,043,088)
24		37003: Automated Meters	(69,869,273)
25		37301: Street Lights	(285,376,434)
26		37302: Security Lighting	(3,999,959)
27		37401: Security Lighting	-
28		Subtotal	\$ (2,919,271,969)
29			
30	General Plant	39101: Office furniture and equipment	(5,620,148)
31		39701: Microwave Equipment	(142,048,655)
32		39702: Computer Equipment	(53,731,939)
33		Subtotal	\$ (201,400,742)
34			
35			
36		Subtotal	\$ (3,327,431,260)
37			
38		Allocated Accounts: Allocated Accounts	(156,419,517)
39			
40		Total	\$ (3,483,850,777)
41			

Schedule **325**

CenterPoint Energy Houston Electric
 Exhibit H - Baseline for Distribution Cost Recovery Factor

(1)

Line No.	FERC Account & Account Description	Total Approved per Docket No. 56211
1	Non-Revenue Related	
2	Ad Valorem Tax	\$ 74,042,583
3	Payroll Taxes	9,619,074
4		
5	Revenue Related Taxes	
6	City Franchise Fee	157,816,418
7	Total Texas Margin Tax - Distribution	22,540,294
8	Deferred SIT/Local	4,453,728
9		
10	Total Taxes Other Than FIT Taxes ⁽¹⁾	\$ 268,472,096
11		
12	⁽¹⁾ To: Schedule A	

Exhibit H
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

CenterPoint Energy Houston Electric		
Exhibit H - Baseline for Distribution Cost Recovery Factor		
(1)		
Line No.	Account Description	Amount Approved per Docket No. 56211
1	Federal Income Tax	
2		
3	Return on Rate Base ⁽¹⁾	\$ 465,407,226
4	<u>Deductions:</u>	
5	Synchronized Interest	171,374,956
6	Amortization of Protected Excess DFIT	10,802,309
7	Amortization of Non-protected Excess DFIT	(813,211)
8	Research & Development Credit	527,488
9	Medicare Drug Subsidy	-
10	AFUDC Equity	-
11	Restricted Stock Excess Tax Benefit	636,158
12	Subtotal	\$ 182,527,700
13		
14	<u>Additions:</u>	
15		
16	Non-deductible Club Dues	-
17	Non-deductible Parking and Transit	466,122
18	Non-deductible Lobbying Expenses	-
19	CSV Over Offi. Life Ins. Prem.	-
20	Meals & Entertainment	343,601
21	Fines & Penalties	-
22	Stock Comp Windfall/Shortfall	-
23	Diesel Fuel Credit Disallowance	8,665
24	Permanent Depreciation Difference	3,752,239
25	Medicare Drug Subsidy	1,393,429
26	Subtotal	\$ 5,964,056
27		
28	Taxable Component of Return	288,843,582
29	Tax Factor	26.58%
30		-
31	Federal Income Taxes Before Adjustments**	\$ 76,781,205
32		
33	<u>Tax Credits-Deduct</u>	
34	Amortization of Protected Excess DFIT	(10,802,309)
35	Amortization of Non-protected Excess DFIT	813,211
36	Research & Development Credit	(527,488)
37	Medicare Drug Subsidy	1,393,429
38	EPRI Credit	(636,158)
39	Total Tax Credits	\$ (9,759,316)
40		
41	TOTAL FEDERAL INCOME TAXES ⁽²⁾	\$ 67,021,890
42		
43		
44	⁽¹⁾ From: Schedule B	
45	⁽²⁾ To: Schedule A	

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

APPLICATION OF CENTERPOINT	§	
ENERGY HOUSTON ELECTRIC, LLC	§	BEFORE THE STATE OFFICE OF
FOR AUTHORITY TO CHANGE	§	ADMINISTRATIVE HEARINGS
RATES	§	
<u>STIPULATION AND SETTLEMENT AGREEMENT</u>		

Exhibit I

Exhibit I**SOAH Docket No. 473-24-13232****PUC Docket No. 56211**

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
Exhibit I - Baseline Wholesale Transmission Cost of Service
Schedule A: Summary of Transmission Cost of Service

(1)

Line No.	Description	Total Approved Docket No. 56211
1	Operation & Maintenance Expense, Including A&G	\$ 105,392,912
2	Depreciation & Amortization ⁽¹⁾	149,737,641
3	Taxes Other Than Income Taxes ⁽²⁾	61,109,325
4	Federal Income Tax ⁽³⁾	49,190,058
5	Return on Rate Base ⁽⁴⁾	332,529,003
6		
7	Total Revenue Requirement	\$ 697,958,939
8		
9	Other Revenues	(32,003,060)
10		
11	Total	\$ 665,955,879

12

13

14 Note: Schedules and workpapers may have slight variances due to rounding

15 ⁽¹⁾ From: Schedule E-1

16 ⁽²⁾ From: Schedule E-2

17 ⁽³⁾ From: Schedule E-3

18 ⁽⁴⁾ From: Schedule B

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
Exhibit I - Baseline Wholesale Transmission Cost of Service
Schedule B: Rate Base

Exhibit I
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

(1)		
Line No.	Description	Balance Approved Docket No. 56211 Final Order
1	Direct Assigned:	
2	FERC Accounts (350-62, 390, and 397)	
3	Plant in Service ⁽¹⁾	\$ 6,271,920,965
4	Accumulated Depreciation ⁽²⁾	(1,001,335,920)
5	Net Plant in Service	\$ 5,270,585,044
6		
7	Allocated Plant Accounts - Net	\$ 222,366,265
8		
9	Plant Held for Future Use	\$ 6,042,505
10	Accumulated Provisions	(5,054,645)
11	Accumulated Deferred Federal Income Tax (ADFIT)	(453,389,566)
12	Materials and Supplies	214,939,567
13	Cash Working Capital	1,371,406
14	Prepayments	15,726,789
15	Customer Deposits & Advances	(340,166)
16	Reg Assets	25,622,719
17	Reg Liabilities	(264,278,272)
18		
19	Total Rate Base	\$ 5,033,591,648
20		
21	Rate of Return	6.61%
22		
23	Return on Rate Base ⁽³⁾	\$ 332,529,003
24		
25	(1) From: Schedule B-1	
26	(2) From: Schedule B-5	
27	(3) To: Schedule A	

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
Exhibit I - Baseline Wholesale Transmission Cost of Service
Schedule B-1: Transmission Plant

Exhibit I
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

(1)			
Line No.	Category	Account No. & Description	Balance approved in Docket No. 56211 (1)
1	Transmission Plant	35001: Land and Land Fees	\$ 61,079,124
2		35002: Land and Land Rights	155,988,693
3		35201: Structures and improvements	230,172,651
4		35301: Station Equipment	1,283,677,073
5		35401: Towers and Fixtures	1,709,604,907
6		35501: Poles, Towers and Fixtures	186,709,626
7		35601: Overhead Conductors and Devices	1,209,136,852
8		35701: Underground Conduit	38,205,859
9		35801: Underground Conductors and Devices	16,465,423
10		35901: Roads and Trails	565,165,816
11		Subtotal Transmission Plant	\$ 5,456,206,023
12			
13	Distribution Plant above 60kv	36001: Land Owned in Fee	\$ 43,753,980
14		36002: Land and Land Rights	73,963
15		36101: Structures and Improvements	54,824,003
16		36201: Station Equipment	550,471,601
17		Subtotal Distribution Plant above 60kv	\$ 649,123,547
18			
19	Other Plant	39001: Structures and Improvements	\$ 39,121,979
20		39701: Microwave Equipment	95,056,918
21		39702: Computer Equipment	32,412,498
22		Subtotal Other Plant	\$ 166,591,395
23			
24		Subtotal	\$ 6,271,920,965
25			
26		Allocated Accounts: Allocated Accounts	140,565,630
27			
28		Total	\$ 6,412,486,595
29			
30	(1) To: Schedule E-1		

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
Exhibit I - Baseline Wholesale Transmission Cost of Service
Schedule B-5: Accumulated Depreciation

Exhibit I
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

(1)

Line No.	Category	Account No. & Description	Balance approved in Docket No. 56211
1	Transmission Plant	35001: Land and Land Fees	\$ (0)
2		35002: Land and Land Rights	(27,042,196)
3		35201: Structures and Improvements	(27,916,772)
4		35301: Station Equipment	(187,817,817)
5		35401: Towers and Fixtures	(259,261,608)
6		35501: Poles, Towers and Fixtures	2,967,139
7		35601: Overhead Conductors and Devices	(251,619,227)
8		35701: Underground Conduit	(10,081,399)
9		35801: Underground Conductors and Devices	(3,145,325)
10		35901: Roads and Trails	(20,082,766)
11		Subtotal Transmission Plant	\$ (783,999,971)
12			
13	Distribution Plant above 60kv	36002: Land and Land Rights	\$ (40,274)
14		36101: Structures and Improvements	(13,476,752)
15		36201: Station Equipment	(145,266,466)
16		Subtotal Distribution Plant above 60kv	\$ (158,783,491)
17			
18	Other Plant	39001: Structures and Improvements	\$ (12,214,780)
19		39701: Microwave Equipment	(33,623,686)
20		39702: Computer Equipment	(12,713,992)
21		Subtotal Other Plant	\$ (58,552,458)
22			
23		Subtotal	\$ (1,001,335,920)
24			
25		Allocated Accounts: Allocated Accounts	81,800,635
26			
27		Total	\$ (919,535,285)

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
Exhibit I - Baseline Wholesale Transmission Cost of Service
Schedule E-1: Depreciation Expense

Exhibit I
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

			(1)	(2)
Line No.	Category	Account No. & Description	Depreciation Expense Docket No.56211	Gross Plant Balance approved in Docket No. 56211 (1)
1	Transmission Plant	35001: Land and Land Fees	\$ -	\$ 61,079,124
2		35002: Land and Land Rights	2,043,452	155,988,693
3		35201: Structures and improvements	4,005,438	230,172,651
4		35301: Station Equipment	28,324,364	1,283,677,073
5		35401: Towers and Fixtures	36,543,311	1,709,604,907
6		35501: Poles, Towers and Fixtures	4,811,728	186,709,626
7		35601: Overhead Conductors and Devices	35,035,505	1,209,136,852
8		35701: Underground Conduit	660,961	38,205,859
9		35801: Underground Conductors and Devices	386,937	16,468,423
10		35901: Roads and Trails	10,738,151	565,165,816
11		Total Transmission Plant	\$ 120,349,848	\$ 5,456,206,023
12				
13	Distribution Plant above 60kv	36001: Land Owned in Fee	\$ -	\$ 43,753,980
14		36002: Land and Land Rights	1,147	73,963
15		36101: Structures and Improvements	921,709	54,824,003
16		36201: Station Equipment	11,791,958	550,471,601
17		Total Distribution Plant Above 60kv	\$ 12,714,814	\$ 649,123,547
18				
19	Other Plant	39001: Structures and Improvements	\$ 802,377	\$ 39,121,979
20		39701: Microwave Equipment	4,830,809	95,056,918
21		39702: Computer Equipment	4,054,790	32,412,498
22		Other Plant	\$ 9,687,976	\$ 166,591,395
23				
24		Total Direct Assigned	\$ 142,752,638	\$ 6,271,920,965
25				
26	ANY	Allocated Expense Accounts: Allocated Expense Accounts	\$ 7,914,468	\$ 140,565,630
27		Amortization Other: Amortization Other	(929,465)	-
28				
31		Total Transmission Depreciation Expense	\$ 149,737,641	\$ 6,412,486,595

34 (1) From: Schedule B-1

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
Exhibit I - Baseline Wholesale Transmission Cost of Service
Schedule E-2: Taxes Other Than Income Taxes

Exhibit I
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

(1)

Line No.	FERC Account & Account Description	Total Approved per Docket No. 56211
1	Non-Revenue Related	
2	Ad Valorem Tax	\$ 52,807,057
3	Payroll Taxes	2,355,935
4		
5	Revenue Related Taxes	
6	Margin Tax	\$ 4,965,251
7	Other	981,082
8		
9	Total Taxes Other Than Income Taxes ⁽¹⁾	<u>\$ 61,109,325</u>
10		
11	⁽¹⁾ To Schedule A	

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
Exhibit I - Baseline Wholesale Transmission Cost of Service
Schedule E-3: Federal Income Taxes

Exhibit I
SOAH Docket No. 473-24-13232
PUC Docket No. 56211

(1)		
Line No.	Description	Balance per Docket No. 56211
1	Federal Income Tax	
2		
3	Return on Rate Base ⁽¹⁾	\$ 332,529,003
4		
5	Deduct:	
6	Interest Included in Return	\$ 122,445,764
7	Amortization of Protected Excess DFIT	6,090,883
8	Amortization of Non-protected Excess DFIT	(458,529)
9	Research & Development Credit	297,424
10	Medicare Drug Subsidy	-
11	AFUDC Equity	-
12	Restricted Stock Excess Tax Benefit	155,810
13	Subtotal	\$ 128,531,352
14		
15	Add:	
16		
17	Non-deductible Parking and Transit	\$ 114,164
18	Meals & Entertainment	84,156
19	Diesel Fuel Credit Disallowance	4,885
20	Permanent Depreciation Difference	2,115,701
21	Medicare Drug Subsidy	341,283
22	Subtotal	\$ 2,660,189
23		
24	Taxable Component of Return	\$ 206,657,840
25	Tax Factor	26.58%
26		
27	Federal Income Taxes Before Adjustments	\$ 54,934,363
28		
29	Deduct:	
30	Amortization of Protected Excess DFIT	\$ 6,090,883
31	Amortization of Non-protected Excess DFIT	(458,529)
32	Research & Development Credit	297,424
33	Medicare Drug Subsidy	(341,283)
34	EPRI Credit	155,810
35	Subtotal	\$ 5,744,305
36		
37	TOTAL FEDERAL INCOME TAXES ⁽²⁾	\$ 49,190,058
38		
39	⁽¹⁾ From: Schedule B	
40	⁽²⁾ To: Schedule A	

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

APPLICATION OF CENTERPOINT	§	
ENERGY HOUSTON ELECTRIC, LLC	§	BEFORE THE STATE OFFICE OF
FOR AUTHORITY TO CHANGE	§	ADMINISTRATIVE HEARINGS
RATES	§	
<u>STIPULATION AND SETTLEMENT AGREEMENT</u>		

Exhibit J

6. CenterPoint Houston's electric system covers approximately 5,000 square miles located in and around Houston, Texas and is comprised of approximately 58,000 miles of overhead and underground transmission and distribution lines and street lights.
7. CenterPoint Houston's last comprehensive base rate proceeding was Docket No. 49421.¹

B. Application

8. On March 6, 2024, CenterPoint Houston filed an application and statement of intent to change retail transmission and distribution rates and wholesale transmission rates with an effective date of April 10, 2024.
9. The applicable test year was the 12-month period ending December 31, 2023.
10. Through its application and subsequent errata, CenterPoint Houston sought Commission approval to increase transmission and distribution revenues by approximately \$57 million, consisting of approximately \$15 million related to service to retail customers, excluding TCRF and rate case expenses, and approximately \$42 million for wholesale transmission service.
11. In addition to the rate increase, CenterPoint Houston requested the Commission:
 - a. find that CenterPoint Houston's capital additions placed into service from January 1, 2019 and December 31, 2023, were prudent;
 - b. approve its proposed capital structure and return on equity;
 - c. approve its proposed cost allocation methodology and rate design;
 - d. approve its proposed updates or removal of Rider TCRF, Rider DCRF, Rider RCE, Schedule TC2, Schedule TC, Rider SRC, and Rider ADFITC;
 - e. approve its proposed Rider IRAs;

¹ *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 49421, Order (Mar. 9, 2020).

- f. approve its proposed charges to its Tariff for Wholesale Delivery Service;
 - g. approve its proposed depreciation rates;
 - h. approve an update to its annual self-insurance reserve accrual; and
 - i. find that its rate case expenses incurred in this proceeding and in Docket Nos. 53442, 54825, and 54830 were reasonable and necessary and authorize their recovery through Rider RCE.
12. Concurrent with filing its application with the Commission, CenterPoint Houston filed applications and statements of intent with each municipality in its service area that has original jurisdiction over its rates.
13. CenterPoint Houston's application affects all retail electric providers ("REPs") serving end-use retail electric customers in its certificated service territory and all customers taking service under CenterPoint Houston's wholesale delivery service tariff.
14. CenterPoint Houston's application and rate filing package was prepared in accordance with the requirements of the Commission including, but not limited to, 16 Texas Administrative Code ("TAC") § 25.231, Cost of Service and in accordance with the Transmission & Distribution Investor Owned Utilities Rate Filing Package for Cost-of-Service Determination ("RFP").
15. The information provided in the RFP is taken from the Company's accounts and records as prescribed in the Federal Energy Regulatory Commission ("FERC") Electric Uniform System of Accounts ("USOA") as required by 16 TAC § 25.72.
16. The workpapers have been appropriately designated, supported and positioned in accordance with RFP General Instruction No. 12, notes a, b, and c.
17. The information provided in the RFP is based on the historical 12-month test year ending December 31, 2023.
18. The books, accounts and records of CenterPoint Houston are maintained in accordance with generally accepted accounting principles ("GAAP"), follow the FERC USOA as required by Commission rules, and are maintained under normal business practices.

The business records were made available to all parties and the summaries thereof submitted as part of the application filed in this case were accurate.

19. No party challenged the adequacy and completeness of CenterPoint Houston's application.
20. In State Office of Administrative Hearings ("SOAH") Order No. 3 filed on April 2, 2024, the SOAH administrative law judges ("ALJs") found the application sufficient for further review.
21. CenterPoint Houston complied with the form and instructions for the Commission's rate-filing package, and the application was administratively complete.

C. Effective Date of Proposed Rates

22. In the application, CenterPoint Houston proposed an effective date of April 10, 2024.
23. In SOAH Order No. 1 filed March 7, 2024, the SOAH ALJs set the effective date for CenterPoint Houston's rate change to September 9, 2024.
24. In SOAH Order No. 2 filed March 27, 2024, the SOAH ALJs issued a procedural schedule that revised the effective date for CenterPoint Houston's rate change to December 20, 2024.
25. In a letter to SOAH filed on December 20, 2024, CenterPoint Houston notified SOAH and the parties that it was extending the effective date to January 31, 2025.

D. Notice

26. On March 9, 2024, CenterPoint Houston provided a copy of its application to: (a) each of the entities listed in the Commission's transmission matrix in Docket No. 56050;² and (b) each REP listed on the Commission's website.

² *Commission Staff's Petition to Set 2024 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas Inc.*, Docket No. 56050, Order (May 16, 2020).

27. CenterPoint Houston also provided a copy of its application to: (a) the appropriate officer of each municipality in the Company's service area, including a summary of the application, a summary of proposed rates by customers and rate class, and proposed tariffs; and (b) attorneys of record for each party that participated in Docket No. 49421.
28. On March 18, March 25, April 1, and April 8, 2024, CenterPoint Houston published notice of its application in a newspaper having general circulation in each county containing territory affected by the Company's application.
29. On April 18, 2024, CenterPoint Houston filed the affidavit of Alice S. Hart attesting to the completion of the publication of notice as required by 16 TAC § 22.51(a)(1).
30. No party challenged the adequacy of the notice provided by CenterPoint Houston.

E. Intervenorors

31. In SOAH Order No. 2 issued on March 27, 2024, the SOAH ALJs granted intervenor status to the following entities: Office of Public Utility Counsel ("OPUC"); Houston Coalition of Cities ("HCOC"); Gulf Coast Coalition of Cities ("GCCC"); Texas Coast Utilities Coalition ("TCUC") (collectively, with HCOC and GCCC, "Cities"); Texas Industrial Energy Consumers ("TIEC"); Walmart Inc; International Brotherhood of Electrical Workers Local 66 ("IBEW Local 66"); Environmental Defense Fund ("EDF"); and Texas Consumer Association.
32. In SOAH Order No. 5 issued on May 1, 2025, the SOAH ALJs granted intervenor status to the following entities: Hunt Energy Network LLC; Texas Energy Association for Marketers and Alliance for Retail Markets (collectively, the "REP Coalition"); SMT TX Management II LLC; Chevron Phillips Chemical Company, LP; South-Central Partnership for Energy Efficiency as a Resource ("SPEER"); Lee Milam; Timothy S. Large; and Rebecca Elliott.
33. On June 12, 2024, Timothy S. Large filed a Notice of Withdrawal as an Intervenor.

F. Appeals of Municipal Ordinances

34. CenterPoint Houston timely appealed to the Commission the actions of the following municipalities exercising original jurisdiction with CenterPoint Houston's service

territory: Bellaire, Oak Ridge North, Surfside Beach, Brazos Country, Brookside Village, Clear Lake Shores, Deer Park, Friendswood, Galveston, Hunters Creek Village, Jersey Village, Lake Jackson, Manvel, Missouri City, Oyster Creek, Rosenberg, Santa Fe, South Houston, Stafford, Taylor Lake Village, the Village of Fairchilds, Weston Lakes, Hedwig Village, La Porte, Simonton, the Village of Pleak, Webster, Alvin, Baytown, Bunker Hill Village, Fulshear, Houston, La Marque, League City, Seabrook, Spring Valley Village, Sugar Land, Texas City, Wharton, Beach City, Clute, Danbury, Dickinson, East Bernard, El Lago, Freeport, Meadows Place, Pasadena, Pearland, Quintana, Richmond, Richwood, Sandy Point, Sealy, Shoreacres, Southside Place, Thompsons, Tiki Island, Village of Jones Creek, West Columbia, and West University Place.

35. In SOAH Order No. 9 issued on June 20, 2024, SOAH Order No. 10 issued on July 12, 2024, and SOAH Order No. 12 issued on August 1, 2024, the SOAH ALJs consolidated, for determination in this proceeding, all of CenterPoint Houston's petitions for review of the rate actions of the municipalities exercising original jurisdiction within CenterPoint Houston's service territory as follows:

SOAH Order	Municipalities
9	Bellaire, Oak Ridge North, Surfside Beach, Brazos Country, Brookside Village, Clear Lake Shores, Deer Park, Friendswood, Galveston, Hunters Creek Village, Jersey Village, Lake Jackson, Manvel, Missouri City, Oyster Creek, Rosenberg, Santa Fe, South Houston, Stafford, Taylor Lake Village, the Village of Fairchilds, and Weston Lakes
10	Hedwig Village, La Porte, Simonton, the Village of Pleak, and Webster
12	Alvin, Baytown, Bunker Hill Village, Fulshear, Houston, La Marque, League City, Seabrook, Spring Valley Village, Sugar Land, Texas City, Wharton, Beach City, Clute, Danbury, Dickinson, East Bernard, El Lago, Freeport, Meadows Place, Pasadena, Pearland, Quintana, Richmond, Richwood, Sandy Point, Sealy, Shoreacres, Southside Place, Thompsons, Tiki Island, Village of Jones Creek, West Columbia, and West University Place

G. Testimony and Statements of Position

36. On March 6, 2024, CenterPoint Houston included in its application the direct testimonies and exhibits of Lynnae K. Wilson, Jason M. Ryan, Eric D. Easton, David Mercado, Deryl Tumlinson, Randal M. Pryor, Mandie Shook, Rina H. Harris, John R. Hudson III, Kristie L. Colvin, L. Darren Storey, Jennifer K. Story, Steven Greenley, Ronald W. Bahr, Shonda Royston-Johnson, M. Shane Kimzey, Brad Tutunjian, Stephanie Bundage Juvane, Carla Kneipp, John Sousa, Bertha R. Villatoro, Timothy S. Lyons, Dane A. Watson, Ann E. Bulkley, Jacqueline M. Richert, Gregory S. Wilson, Dr. J. Stuart McMenamin, John R. Durland, and Myles F. Reynolds.

37. On June 19, 2024, the following direct testimonies were filed:

Filing Party	Filing Description
OPUC	Direct testimonies and exhibits of Laurie Tomczyk and Kyra Coyle
HCOC	Direct testimonies and exhibits of Mark E. Garrett, Steven D. Hunt, Michael E. Ivey, and Breandan T. Mac Mathuna
TCUC	Direct testimonies and exhibits of David J. Garrett, Scott Norwood, and J. Randall Woolridge
GCCC	Direct testimony of Lane Kollen
TIEC	Direct testimonies and exhibits of Michael P. Gorman and Jeffry Pollock
Walmart Inc.	Direct testimony and exhibits of Lisa V. Perry
EDF	Direct testimonies and exhibits of Yihao Xie and Chris Hickman

38. On June 20, 2024, SPEER filed a Statement of Position.
39. On June 21, 2024, HCOC filed the direct testimony of Kit Pevoto.
40. On June 26, 2024, and June 28, 2024, Staff filed the direct testimonies and exhibits of Mark Filarowicz, Ruth Stark, James Euton, Adrian Narvaez, John Poole, and Vonetta Jackson.
41. On July 10, 2024, Staff filed the cross-rebuttal testimony of Adrian Narvaez and William B. Abbott.
42. On July 12, 2024, CenterPoint Houston filed the rebuttal testimonies of Jason Ryan, Jacqueline Richert, Kristie Colvin, Ann Bulkley, Bertha Villatoro, Jennifer Story, Ronald Bahr, Brad Tutunjian, John Durland, Timothy Lyons, Dane Watson, Gregory Wilson, and Myles Reynolds.

43. In SOAH Order No. 10 issued on July 12, 2024, the ALJs extended the deadline for CenterPoint Houston to file rebuttal testimonies for Eric D. Easton, David Mercado, Deryl Tumlinson, Mandie Shook, Randal H. Pryor, and Rina H. Harris to July 19, 2024. Additionally, supplemental rebuttal testimony of Kristie L. Colvin was also extended to July 19, 2024.

H. Referral to SOAH

44. On March 7, 2024, the Commission referred this docket to SOAH and ordered CenterPoint Houston, Commission Staff, and any other interested party to file a list of issues by March 21, 2024.
45. In SOAH Order No. 1 issued on March 7, 2024, the SOAH ALJs suspended rates until September 7, 2024, and provided notice of a prehearing conference.
46. On April 11, 2024, the Commission approved the preliminary order (Preliminary Order) for this docket, setting forth a list of 62 issues to be addressed.
47. In SOAH Order No. 8 issued on June 20, 2024, the ALJ extended the deadline for testimony regarding cost allocation to June 21, 2024, for intervenors and to June 28, 2024, for Staff.
48. In SOAH Order No. 10 issued on July 12, 2024, the ALJ extended the deadline to file rebuttal testimony for CenterPoint Houston to July 19, 2024, and the deadline for discovery on this testimony to July 24, 2024.
49. In SOAH Order No. 11 issued on July 17, 2024, the ALJ abated all pending deadlines in this proceeding and cancelled the hearing on the merits scheduled to begin on July 29, 2024, to allow the parties to pursue settlement discussions.
50. SOAH Order No. 11 held that the parties must file a status report by August 2, 2024, and every two weeks thereafter.
51. CenterPoint Houston filed a Notice of Withdrawal of its application in this case on August 1, 2024. In SOAH Order No. 14 issued on August 16, 2024, the ALJ denied CenterPoint Houston's withdrawal.

52. On August 23, 2024, CenterPoint Houston filed an appeal of SOAH Order No. 14. On November 8, 2024, CenterPoint Houston withdrew its appeal of SOAH Order No. 14.

I. Agreement

53. On January 28, 2025, an unopposed stipulation and settlement agreement (“Agreement”) was filed by CenterPoint Houston.
54. The signatories to the Agreement are CenterPoint Houston, the Commission Staff; HCOC; GCCC; TCUC (collectively, with HCOC, GCCC, and TCUC referred to as the “Cities”); TIEC; the REP Coalition; Walmart Inc; IBEW Local 66; EDF; OPUC; and SPEER.
55. The signatories agreed that good cause exists to waive applicable rules and procedures to expedite the adoption of this Order, including but not limited to 16 TAC § 22.35.

J. Agreement – Overall Revenues, Effective Date, and Allocation of Revenue Requirement

56. The signatories agreed that CenterPoint Houston’s present wholesale and retail revenues of \$2.305 billion should be decreased by \$44,153,511.40, plus an additional explicit reduction of \$2,424,013 to remove Chief Executive Officer compensation expense, for a total reduction of \$46,577,524.40, as set out in Exhibit A to the Agreement.
57. The signatories agreed that approved rates will take effect no earlier than the 46th day after the date of the Commission’s final order approving the rates.
58. The signatories agreed that the agreed-upon revenue requirement be allocated as follows: \$653,511.40 will be directly allocated to the retail transmission customer class, and the remaining value, \$45,924,013, be allocated among retail customer classes and wholesale transmission such that each retail customer class and wholesale transmission receives the same percentage decrease from the revenue collected from present rates as set out in Exhibit B to the Agreement. For each retail customer class, CenterPoint Houston’s proposed customer and meter charges will be adopted. The distribution charge for each class will be designed so that the total revenue collected from the class’s

customer, meter, and distribution charges would reflect the total revenue reduction allocated to that class as set forth in Exhibit B.

- 59. The revenues produced by the rates approved in this Order will provide CenterPoint Houston with revenues sufficient to cover its expenses and provide CenterPoint Houston a reasonable opportunity to earn a reasonable return.
- 60. The Agreement's treatment of revenue requirement, effective date, and allocation issues is appropriate.

K. Agreement – Return and Capital Structure

- 61. The signatories agreed that beginning with the effective date of the new rates authorized in this proceeding, CenterPoint Houston's weighted average cost of capital ("WACC") shall be 6.606% based upon an as filed 4.29% cost of debt, an agreed return on equity ("ROE") of 9.65%, and an agreed regulatory capital structure of 56.75% long-term debt and 43.25% equity, as set out in Exhibit K to the Agreement.
- 62. The agreed return on equity, cost of debt, capital structure, and resulting WACC are reasonable and appropriate.
- 63. The signatories agreed that the agreed-upon WACC, cost of debt, return on equity, and capital structure of CenterPoint Houston would apply in all Commission proceedings or Commission filings requiring application of such items.
- 64. The agreed-upon WACC, cost of debt, return on equity, and capital structure for CenterPoint Houston to apply in all Commission proceedings or Commission filings requiring application of such items is appropriate.

L. Agreement – Cash Working Capital

- 65. The signatories agreed that CenterPoint Houston's CWC should be reduced by \$5,180,289 from the amount proposed in Schedule II-B-9, for a total CWC amount of \$6,988,071.
- 66. The Agreement's treatment of CWC is appropriate.

M. Agreement – Approval of Tariffs and Customer Agreements

67. CenterPoint Houston's requested tariffs and customer agreements, as modified by the parties' Agreement and set out in Exhibit C to the Agreement, are appropriate.
68. The signatories agreed that CenterPoint Houston will add the following language at the end of paragraph 1 of Section 6.3.4.2 of its tariff: "Retail Customer A and Retail Customer B may be the same person or legal entity."
69. The Agreement's treatment of paragraph 1 of Section 6.3.4.2 of CenterPoint Houston's tariff is appropriate.
70. The signatories agreed that CenterPoint Houston shall include the following language in its Tariff for Retail Delivery Service at Section 6.1.2.2 Construction Services Policy and Charges, Subsection 2.3 Transmission Voltage Facility Extensions, set forth in Exhibit C to the Agreement: "If the Company is reimbursed more than \$10,000,000 (including all applicable tax gross-up) by a Customer with respect to a transmission interconnection project, and more transmission customers are served by any or all of the facilities constructed pursuant to that reimbursement within a five-year period following the date in which any equipment is energized by the Company, then the initial Customer that reimbursed the Company shall be entitled to receive a prorated refund of the reimbursement for common facilities when the additional transmission customers execute an agreement for electric service within the five-year period described above. After payment is received from the additional transmission customer(s), a refund of reimbursement for common facilities to the initial Customer will be made on a pro-rata share of the amount initially paid by the initial Customer."
71. It is appropriate that CenterPoint Houston include the language in Finding of Fact 70 in its Tariff for Retail Delivery Service at Section 6.1.2.2 Construction Services Policy and Charges, Subsection 2.3 Transmission Voltage Facility Extensions.
72. The signatories agreed not to include the charges for load studies and stability studies from the Terms of Service for CenterPoint Houston's Transmission Service rate schedule, as set out in Exhibit C to the Agreement.

73. The Agreement's exclusion of charges for load studies and stability studies from the Terms of Service for its Transmission Service rate schedule is appropriate.
74. The signatories agreed that CenterPoint Houston shall update the current interim rates for Wholesale Distribution Service set out in Section 4.2 of CenterPoint Houston's Tariff for Wholesale Delivery Service (established in Docket No. 53606) to reflect the Primary Service rates approved in this proceeding, as set out in Exhibit C to the Agreement. For the avoidance of doubt, the distribution charge developed under the total revenue requirement for the Primary Service class as set out in Exhibit C that reflects the revenue requirement reduction agreed to by the signatories will also be applied to the Wholesale Delivery Service class's distribution charge.
75. The signatories agreed that the rates adopted in Docket No. 53606 and updated in this proceeding are adopted on an interim basis and are subject to refund or surcharge to the extent appropriate based on the resolution of Project No. 54224. All parties retained the right to take any position in Project No. 54224.
76. It is appropriate that CenterPoint Houston update the current interim rates for Wholesale Distribution Service and establish new interim rates that reflect the Primary Service rates approved in this proceeding.
77. The signatories agree that CenterPoint Houston's requested retail Rider IRA, Wholesale Service Rider WT IRA, and Wholesale Distribution Rider WD IRA, set out in Exhibit C to the Agreement, are reasonable with the following condition: Only the return on corporate alternative minimum tax deferred tax assets arising to the extent CenterPoint Houston meets the definition of an applicable corporation based solely on its own stand-alone adjusted financial statement income ("AFSI") without regard to the income of any affiliates, and calculated solely on that stand-alone AFSI will be collected in the Rider IRAs between the date rates from this proceeding go into effect and the date rates from CenterPoint Houston's next base rate case go into effect.
78. It is appropriate to adopt CenterPoint Houston's requested Rider IRAs, conditioned on the language in Finding of Fact 77.

N. Agreement – Ringfencing

- 79. The signatories agreed that the ringfencing provision set out in Ordering Paragraph No. 30 in the Final Order in Docket No. 49421 should be modified to read: “CenterPoint Houston must maintain registrations with Moody’s and S&P ratings agencies.”
- 80. The signatories agreed that the ringfencing provision set out in Ordering Paragraph No. 39 in the Final Order in Docket No. 49421 should be modified to read: “CenterPoint Houston must notify the Commission if its credit issuer rating or corporate rating as rated by Moody’s or S&P falls below investment-grade level.”
- 81. The signatories agreed to the following additional ringfencing provision: “CenterPoint Houston will not seek to recover from customers any costs incurred as a result of a bankruptcy of CenterPoint Energy, Inc. or any of its affiliates other than CenterPoint Houston or caused by a bankruptcy of CenterPoint Houston.”
- 82. The signatories agreed to the following additional ringfencing provision: “No CenterPoint Houston assets may be pledged for or used to secure the debt of other entities.”
- 83. The Agreement’s modification of the ringfencing provisions is appropriate.

O. Agreement – Gross Plant in Service

- 84. The signatories agreed that CenterPoint Houston’s requested gross plant in service of \$17,795,166,166 through the end of the test year (December 31, 2023) shall be reduced by \$10,000,000, as reflected on Exhibit D to the Agreement, along with the associated impacts to accumulated depreciation and ADIT. CenterPoint Houston will not seek recovery of, or a return on, the plant listed in Exhibit D to the Agreement in any future proceeding. CenterPoint Houston will not be required to make a refund of any amounts associated with this disallowance.
- 85. The remaining gross plant in service is prudent and properly included in rate base.
- 86. The Agreement’s treatment of gross plant in service is appropriate.

P. Agreement – Regulatory Assets and Liabilities

87. The signatories agreed that CenterPoint Houston's regulatory assets and liabilities at issue in this proceeding, all of which will be amortized over five years beginning on the date rates take effect, are reasonable.
88. CenterPoint Houston shall prioritize recovery of carrying costs for the following regulatory assets, as shown on Schedule II-E-4.1.1, and amortize them based on the same priority: Hurricane Harvey as shown in Docket No. 49421; Hurricane Harvey Trailing Charges; Hurricane Laura; Hurricane Nicholas; Long Lead Time Facilities; Winter Storm Uri; Ike Residual; Ike Residual as shown in Docket No. 49421. The prioritization is as follows: (1) Equity carrying costs; (2) Debt carrying costs; and (3) all other costs.
89. The Agreement's treatment of regulatory assets and liabilities is appropriate.

Q. Agreement – Reimbursement of Rate Case Expenses

90. The signatories agreed that CenterPoint Houston shall reimburse Cities for rate case expenses incurred through the completion of this proceeding within 30 days of a final order issuance or receipt of invoices, whichever is later.
91. The signatories agreed to a \$145,000 reduction to CenterPoint Houston's rate-case expenses as recommended in the Direct Testimony of Staff witness Vonetta Jackson. For expenses incurred after December 31, 2023, CenterPoint Houston shall apply an equivalent percentage of 16.4% to determine the reduction amount for those expenses. Parties agree that Rider RCE is appropriate to use for recovery of CenterPoint Houston's and Cities' rate case expenses.
92. The signatories agreed that CenterPoint Houston shall reimburse Cities for their reasonable rate-case expenses associated with this proceeding, including amounts incurred during August 2024, September 2024, and October 2024. However, the Company will not seek recovery of its own or Cities' rate-case expenses in connection with this proceeding incurred during the months of August 2024, September 2024, or

October 2024, as these expenses are not reasonable and necessary for purposes of recovery from ratepayers.

93. The signatories agreed that CenterPoint Houston shall reimburse Cities for their expenses incurred in CenterPoint's System Resiliency Plan ("SRP"), which it withdrew on August 1, 2024, in Docket No. 56548, Application of CenterPoint Energy Houston Electric, LLC for Approval of Its Transmission and Distribution System Resiliency Plans (Docket No. 56548) for the period of April 2024 through August 2024.
94. The signatories agreed that CenterPoint Houston shall reimburse Cities for the reasonable expenses Cities incur in CenterPoint's 2025 SRP proceeding, including Cities' reasonable expenses incurred to monitor CenterPoint's implementation of its SRP,
95. The signatories agreed that CenterPoint Houston shall reimburse Cities for reasonable expenses Cities incur in Docket No. 57271, in related finance-order filings, and in CenterPoint Houston's future storm-restoration proceedings related to Hurricane Beryl, including the cost-determination filings and finance-order filings related to such proceedings.
96. It is appropriate that CenterPoint Houston reimburse Cities for expenses incurred, and recover its own rate-case expenses, as described in Findings of Fact 90 through 95.

R. Agreement – Wholesale Transmission Service ("WTS") Rate

97. The signatories agreed that CenterPoint Houston's WTS rate should be set using the Commission approved 2023 Four Coincident Peak ("4CP") value of 83,685,241.4 kW.
98. It is appropriate that CenterPoint Houston's WTS rate be set using the Commission approved 2023 4CP value of 83,685,241.4 kW.

S. Agreement – Allowance for Funds Used During Construction ("AFUDC")

99. The signatories agreed that CenterPoint Houston shall adhere to AFUDC account requirements pursuant to the FERC USOA (18 C.F.R., Part 101, Electric Plant Instruction No. 3(17)) and related precedent.

- 100. The signatories agreed that CenterPoint Houston shall discontinue rounding the AFUDC rate up to the next 0.25%, effective January 1, 2025.
- 101. It is appropriate that CenterPoint Houston adhere to AFUDC account requirements pursuant to the FERC Uniform System of Accounts and related precedent.
- 102. It is appropriate that CenterPoint Houston discontinue rounding the AFUDC rate up to the next 0.25%, effective January 1, 2025.

T. Agreement – Approval of Requested Billing Determinants

- 103. CenterPoint Houston’s requested billing determinants as set out in Schedule IV-J-5 (as amended by any errata) are reasonable.

U. Agreement – Approval of the Accounting Treatment for Third-Party Cloud Computing Arrangements (“CCAs”)

- 104. The signatories agreed that CenterPoint Houston’s requested accounting treatment for third-party CCAs, as described in the Direct Testimony of CenterPoint Houston witness Kristie L. Colvin, is reasonable.
- 105. It is appropriate to adopt CenterPoint Houston’s requested accounting treatment for third-party CCAs, as described in the Direct Testimony of CenterPoint Houston witness Kristie L. Colvin.

V. Agreement – Statutory Requirements and Baseline Values

- 106. The signatories agreed to adopt statutory requirements and baseline values as set forth in findings of fact 107 through 115 of this Order.
- 107. To the extent that affiliate costs are included in the agreed-to rates, they are reasonable and necessary for each class of affiliate costs presented in CenterPoint Houston’s application.
- 108. To the extent that affiliate costs are included in the agreed-to rates, the prices charged to CenterPoint Houston are not higher than the prices charged by the supplying affiliate for the same item or class of items to its other affiliates or divisions or to a non-affiliated person with the same market areas or having the same market conditions.

109. CenterPoint Houston's request for an annual self-insurance reserve accrual of \$22.34 million and a new target property insurance reserve of \$16.7 million, as described in the Direct Testimony of Company witness Gregory S. Wilson, is reasonable.
110. CenterPoint Houston will continue to use current depreciation rates approved in Commission Docket No. 49421.
111. CenterPoint Houston's requested Pension and Other Postemployment Benefits ("OPEB") Baselines as shown in Table 2 in the Direct Testimony of Kristie L. Colvin are reasonable. Consistent with PURA § 36.065, CenterPoint Houston's Pension and OPEB Baselines are \$11,605,293 for the qualified defined benefit pension plan, \$12,782,647 for the qualified defined contribution pension plan, and (\$494,986) for OPEB expense as shown in Exhibit E to the Agreement and are reasonable.
112. CenterPoint Houston's request for approval of a new baseline for the LLTF Balance in Rates, as described in Exhibit F to the Agreement, is reasonable. The fact that the signatories have agreed to the use of this baseline value as specified in this section does not reflect an agreement on any methodology that may be used by CenterPoint Houston in a future case regarding LLTF cost recovery.
113. The Transmission Cost Recovery Factor ("TCRF") baseline values and accounting and the proposed allocation factors for future TCRF updates requested in the Application (as modified by and set out in Exhibit G to the Agreement) are reasonable.
114. The Distribution Cost Recovery Factor ("DCRF") baseline values and accounting requested in the Application (as modified by and set out in Exhibit H to the Agreement) are reasonable.
115. The Transmission Cost of Service ("TCOS") baseline values and accounting requested in the Application (as modified by and set out in Exhibit I to the Agreement) are reasonable.

W. Net Operating Loss Carryforward Accumulated Deferred Income Tax (“NOLC ADIT”) Amount Calculation

- 116. The signatories agreed that CenterPoint Houston's NOLC ADIT amount included in future DCRF Update filings shall be calculated in accordance with PURA § 36.060.
- 117. It is appropriate that CenterPoint Houston’s NOLC ADIT amount included in future DCRF Update filings are calculated in accordance with PURA § 36.060.

X. Agreement – Moratorium on Disconnections for Nonpayment Due to Extreme Weather Events

- 118. The signatories agreed that no later than May 1, 2025, CenterPoint Houston will issue the moratorium on disconnections for nonpayment (“DNP”) due to extreme weather events by county rather than for its entire service area. Additionally, CenterPoint Houston shall only implement DNP moratoriums consistent with PUC rules and the Company’s tariff.
- 119. It is appropriate that CenterPoint Houston issue the DNP moratorium due to extreme weather events by county and only implement DNP moratoriums consistent with PUC rules and the Company’s tariff.

Y. Agreement – Posting of Current Rates and Any Pending Rate Change Requests

- 120. The signatories agreed that CenterPoint Houston shall post current rates and any pending rate change requests on a publicly available location in the competitive retailer section of CenterPoint Houston’s website, include the current rates for all customer classes, and be posted in a chart format.
- 121. It is reasonable that CenterPoint Houston post current rates and any pending rate change requests on a publicly available location in the competitive retailer section of CenterPoint Houston’s website, include the current rates for all customer classes, and be posted in a chart format.

Z. Agreement – Outage Tracker

- 122. CenterPoint Houston agreed to return an online outage tracker map to operation within 30 days of the date of the Agreement. The signatories agreed that CenterPoint Houston

shall file a report with the Commission providing the performance time of its outage tracker following any system outage involving more than 250,000 customers.

AA. Agreement – Compliance Filing

123. If the pending DCRF is approved before the approval of a final order in this case, CenterPoint Houston shall revise the DCRF rates in effect at the time the final order in this case is approved to reflect removal of any duplicative amounts in base rates that would otherwise be recovered in such DCRF. Any such update will be implemented to DCRF rates at the same time final rates from this rate case are implemented.

BB. Agreement – One-Time Refund

124. The signatories agreed that, to provide customers with the benefit of the revenue requirement reduction stated in Finding of Fact 56 as of January 1, 2025, within five working days after approval of the final order in this case, CenterPoint Houston will submit an application for a one-time refund of \$5.2 million to retail and wholesale customers allocated among functions and rate classes based on the agreed functional and class revenue requirement amounts consistent with Finding of Fact 58 above in an equalized percentage basis. CenterPoint Houston should use an existing SAC04 code to effectuate the refund and provide retail electric providers 45-day notice of the refund.

CC. Agreement – Additional Matters

125. By June 30, 2025, CenterPoint Houston agreed to host a collaborative working group, open to relevant entities including the Port of Houston and other relevant municipal entities, to discuss implementation of Phase 1 of the National Zero-Emission Freight Corridor Strategy. At this discussion, CenterPoint Houston will provide an analysis of each of the locations within CenterPoint Houston's territory identified as a Phase 1 hub location as of December 31, 2024, including for each Principal Port site (i) projected magnitude and timing of loads, and (ii) anticipated distribution system investments needed to serve such loads.
126. CenterPoint Houston agreed to host a collaborative working group, open to interested external stakeholders including municipal entities, regional and state planning entities, fleets, charging providers (e.g., EVSEs, charging-as-a-service providers, OEMs), and

nonprofits to incorporate electric vehicle load growth into distribution system planning, deployment, and operation. This working group will meet at least once per year.

127. By December 31, 2025, CenterPoint Houston agreed to produce a public report that identifies technological, security, and other potential barriers to publishing publicly available hosting capacity data, and the Company's plans and estimated associated implementation costs to work to overcome those barriers.

II. Conclusions of Law

1. CenterPoint Houston is a public utility as that term is defined in PURA³ § 11.004(1) and an electric utility as that term is defined in PURA § 31.002(b).
2. The Commission has jurisdiction over this matter under PURA §§ 14.001, 32.001, 33.051, 36.001 through 36.211, and 39.552.
3. Under PURA § 33.051, each municipality in CenterPoint Houston's service area that has not ceded jurisdiction to the Commission has jurisdiction over CenterPoint Houston's application, which seeks to change rates for service within each municipality.
4. The Commission has jurisdiction over an appeal from municipalities' rate proceedings under PURA § 33.051.
5. The Commission processed the application in accordance with the requirement of PURA, the Administrative Procedure Act,⁴ and Commission rules.
6. Good cause exists to waive applicable rules and procedures to expedite the adoption of this Order.
7. The Commission's approval of the settlement is in accordance with the requirement of PURA, the Administrative Procedure Act, and Commission rules.

³ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001 – 66.016 (PURA).

⁴ Administrative Procedure Act, Tex. Gov't Code § 2001.001 - .902.

8. SOAH exercised jurisdiction over this proceeding under PURA § 14.053 and Texas Government Code § 2003.049.
9. CenterPoint Houston provided notice of the application in compliance with PURA § 36.103 and 16 TAC § 22.51(a) and filed affidavits attesting to the completion of notice in compliance with 16 TAC § 22.51(d).
10. The rates approved in this Order are just and reasonable; are not unreasonably preferential, prejudicial, or discriminatory; are sufficient, equitable, and consistent in application to each consumer class; and meet the requirements of PURA § 36.003.
11. In accordance with PURA § 36.051, the rates approved in this Order permit CenterPoint Houston a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses.
12. The retail revenue requirement approved in this Order does not include any expenses prohibited from recovery under PURA §§ 36.061(a) and 36.062.
13. CenterPoint Houston's invested capital through the end of the test year meets the requirement of PURA § 36.058.
14. The affiliate expenses included in CenterPoint Houston's rates under the Agreement comply with the requirements of PURA § 36.058.
15. Under PURA § 36.065(b), a utility may establish one or more reserve accounts for expenses for pension and other postemployment benefits.
16. The agreement resolves certain issues between the parties in this docket.
17. The tariff sheets and rates schedules approved in this Order are just and reasonable.
18. The Commission's adoption of a final order in accordance with the Agreement satisfies the requirements of Texas Government Code § 2001.051.

III. Ordering Paragraphs

In accordance with these finding of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves CenterPoint Houston's application, as modified by the Agreement, to the extent provided in this Order.
2. The Commission approves the rates, terms, and conditions described in this Order.
3. The Commission approves CenterPoint Houston's tariffs attached to the Agreement.
4. The final rates approved in this Order are effective no earlier than the 46th day after the date of this Order.
5. CenterPoint Houston must provide notice of the approved rates to retail electric providers no later than the first working day after the date of the Commission final order approving the rates.
6. Within 20 days of the date of this Order, CenterPoint Houston must file a clean record copy of the approved tariffs to be stamped "Approved" by Central Records and retained by the Commission.
7. CenterPoint Houston must serve copies of all tariff-related filings on all parties of record.
8. CenterPoint Houston's present wholesale and retail revenues of \$2.305 billion are decreased by \$44,153,511.40, plus an additional explicit reduction of \$2,424,013 to remove CEO compensation expense, for a total reduction of \$46,577,524.40, as set out in Exhibit A to the Agreement.
9. Within five working days after approval of the final order in this case, CenterPoint Houston will submit an application for a one-time refund of \$5.2 million to retail and wholesale customers allocated among functions and rate classes based on the agreed functional and class revenue requirement amounts consistent with Finding of Fact 58 above in an equalized percentage basis. CenterPoint Houston will use an existing

- SAC04 code to effectuate the refund. CenterPoint Houston will provide retail electric providers 45-day notice of the refund.
10. The revenue requirement approved by this Order shall be allocated as follows: \$653,511.40 will be directly allocated to the retail transmission customer class, and the remaining value, \$45,924,013, shall be allocated among retail customer classes and wholesale transmission such that each retail customer class and wholesale transmission receives the same percentage decrease from the revenue collected from present rates as shown in Exhibit B to the Agreement.
 11. For each retail customer class, CenterPoint Houston's proposed customer and meter charges will be adopted. The distribution charge for each class will be designed so that the total revenue collected from the class's customer, meter, and distribution charges would reflect the total revenue reduction allocated to that class as set forth in Exhibit B. This will not include the Company's proposal to update TCRF to reflect any changes in wholesale transmission rates approved by the Commission since the initial filing of this case and for changes in the TCRF allocation factors. The TCRF rider is not updated in this proceeding.
 12. CenterPoint Houston shall have a weighted average cost of capital of 6.606% based upon an as filed 4.29% cost of debt, an agreed ROE of 9.65%, and an agreed regulatory capital structure of 56.75% long-term debt and 43.25% equity.
 13. The weighted average cost of capital, cost of debt, ROE, and capital structure of CenterPoint Houston adopted in this Order apply in all Commission proceedings or Commission filings requiring application of such items.
 14. CenterPoint Houston's CWC is reduced by \$5,180,289 from the amount proposed in Schedule II-B-9, for a total CWC amount of \$6,988,071.
 15. The ringfencing provision set out in Ordering Paragraph No. 30 in the Final Order in Docket No. 49421 is modified to read: "CenterPoint Houston must maintain registrations with Moody's and S&P ratings agencies."

16. The ringfencing provision set out in Ordering Paragraph No. 39 in the Final Order in Docket No. 49421 is modified to read: “CenterPoint Houston must notify the Commission if its credit issuer rating or corporate rating as rated by Moody’s or S&P falls below investment-grade level.”
17. CenterPoint Houston may not seek to recover from customers any costs incurred as a result of a bankruptcy of CenterPoint Energy, Inc. or any of its affiliates other than CenterPoint Houston or caused by a bankruptcy of CenterPoint Houston.
18. No CenterPoint Houston assets may be pledged for or used to secure the debt of other entities.
19. CenterPoint Houston’s requested gross plant in service of \$17,795,166,166 through the end of the test year (December 31, 2023) is reduced by \$10,000,000, as reflected on Exhibit D attached to the Settlement Agreement, along with the associated impacts to accumulated depreciation and ADIT.
20. CenterPoint Houston shall not seek recovery of, or a return on, the plant listed in Exhibit D to the Settlement Agreement in any future proceeding.
21. CenterPoint Houston shall reimburse Cities for rate case expenses incurred through the completion of this proceeding within 30 days of a final order issuance or receipt of invoices, whichever is later.
22. CenterPoint Houston’s rate case expenses incurred through December 31, 2023, shall be reduced by \$145,000. For expenses incurred after December 31, 2023, CenterPoint Houston shall apply an equivalent percentage of 16.4% to determine the reduction amount for those expenses.
23. CenterPoint Houston shall reimburse Cities for their reasonable rate-case expenses associated with this proceeding, including amounts incurred during August 2024, September 2024, and October 2024. However, the Company will not seek recovery of its own or Cities’ rate-case expenses in connection with this proceeding incurred during the months of August 2024, September 2024, or October 2024, as these expenses are not reasonable and necessary for purposes of recovery from ratepayers.

24. Within 30 days of a final order issuance in this proceeding or receipt of invoices, whichever is later, CenterPoint Houston shall reimburse Cities for their expenses incurred in CenterPoint's SRP, which it withdrew on August 1, 2024, in Docket No. 56548, Application of CenterPoint Energy Houston Electric, LLC for Approval of Its Transmission and Distribution System Resiliency Plans (Docket No. 56548) for the period of April 2024 through August 2024.
25. CenterPoint Houston shall reimburse Cities for the reasonable expenses Cities incur in CenterPoint's 2025 SRP proceeding, including Cities' reasonable expenses incurred to monitor CenterPoint's implementation of its SRP.
26. CenterPoint Houston shall reimburse Cities for the reasonable expenses Cities incur in Docket No. 57271, in related finance-order filings, and in CenterPoint Houston's future storm-restoration proceedings related to Hurricane Beryl, including the cost-determination filings and finance-order filings related to such proceedings.
27. The rates adopted in Docket No. 53606 and updated in this proceeding are adopted on an interim basis and are subject to refund or surcharge to the extent appropriate based on the resolution of Project No. 54224.
28. CenterPoint Houston's WTS rate shall be set using the Commission approved 2023 4CP value of 83,685,241.4 kW.
29. CenterPoint Houston shall adhere to AFUDC account requirements pursuant to the FERC Uniform System of Accounts (18 C.F.R., Part 101, Electric Plant Instruction No. 3(17)) and related precedent.
30. CenterPoint Houston shall discontinue rounding the AFUDC rate up to the next 0.25%, effective January 1, 2025.
31. CenterPoint Houston shall implement the Rider IRAs, conditioned on the language in Finding of Fact 77.
32. CenterPoint Houston shall implement the requested accounting treatment for third-party CCAs, as described in the Direct Testimony of CenterPoint Houston witness Kristie L. Colvin.

33. CenterPoint Houston shall continue to use current depreciation rates approved in Commission Docket No. 49421.
34. The allocation factors for future DCRF proceedings will be those stated in the Application (as modified by the Agreement).
35. No later than May 1, 2025, CenterPoint Houston shall issue the moratorium on disconnections for nonpayment (“DNP”) due to extreme weather events by county rather than for its entire service area. Additionally, CenterPoint Houston shall only implement DNP moratoriums consistent with PUC rules and the Company’s tariff.
36. CenterPoint Houston shall post current rates and any pending rate change requests on a publicly available location in the competitive retailer section of CenterPoint Houston’s website, include the current rates for all customer classes, and be posted in a chart format.
37. CenterPoint Houston agreed to return an online outage tracker map to operating within 30 days of the date of the Agreement. CenterPoint Houston shall file a report with the Commission providing the performance time of its outage tracker following any system outage involving more than 250,000 customers.
38. If the pending DCRF is approved before the approval of a final order in this case, CenterPoint Houston shall revise the DCRF rates in effect at the time the final order in this case is approved to reflect removal of any duplicative amounts in base rates that would otherwise be recovered in such DCRF. Any such update will be implemented to DCRF rates at the same time final rates from this rate case are implemented.
39. By June 30, 2025, CenterPoint Houston will host a collaborative working group, open to relevant entities including the Port of Houston and other relevant municipal entities, to discuss implementation of Phase 1 of the National Zero-Emission Freight Corridor Strategy. At this discussion, CenterPoint Houston will provide an analysis of each of the locations within CenterPoint Houston’s territory identified as a Phase 1 hub location as of December 31, 2024, including for each Principal Port site (i) projected magnitude

- and timing of loads, and (ii) anticipated distribution system investments needed to serve such loads.
40. CenterPoint Houston will host a collaborative working group, open to interested external stakeholders including municipal entities, regional and state planning entities, fleets, charging providers (e.g., EVSEs, charging-as-a-service providers, OEMs), and nonprofits to incorporate electric vehicle load growth into distribution system planning, deployment, and operation. This working group will meet at least once per year.
 41. By December 31, 2025, CenterPoint Houston will produce a public report that identifies technological, security, and other potential barriers to publishing publicly available hosting capacity data, and the Company's plans and estimated associated implementation costs to work to overcome those barriers.
 42. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
 43. The Commission denies all other motions and any other requests for general or specific relief that are not expressly granted.

Signed at Austin, Texas the ____ day of _____, 2025.

PUBLIC UTILITY COMMISSION OF TEXAS

THOMAS GLEESON, CHAIRMAN

KATHLEEN JACKSON, COMMISSIONER

COURTNEY HJALTMAN, COMMISSIONER

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

APPLICATION OF CENTERPOINT	§	
ENERGY HOUSTON ELECTRIC, LLC	§	BEFORE THE STATE OFFICE OF
FOR AUTHORITY TO CHANGE	§	ADMINISTRATIVE HEARINGS
RATES	§	
<u>STIPULATION AND SETTLEMENT AGREEMENT</u>		

Exhibit K

**PUBLIC UTILITY COMMISSION OF TEXAS
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
II-C-2.1 WEIGHTED AVERAGE COST OF CAPITAL
TEST YEAR ENDING 12/31/2023
DOCKET NO. 56211**

**Exhibit K
SOAH Docket No. 473-24-13232
PUC Docket No. 56211**

		(2)		(3)	(4)
Line No.	Description	Reference Schedule	Percent of Total	Cost	Weighted Cost
1	Common Equity		43.25%	9.65%	4.174%
2	Preferred Stock	II-C-2.2	0.00%	0.00%	0.000%
3	Preferred Trust Securities	II-C-2.3	0.00%	0.00%	0.000%
4	Long-Term Debt	II-C-2.4	56.75%	4.29%	2.433%
5	Short-Term/Interim Debt	II-C-2.5	0.00%	0.00%	0.000%
6					
7	TOTAL		100.00%		6.606%
8					

The following files are not convertible:

56211 Settlement Exhibit A.xlsx
56211 Settlement Exhibit B.xlsx
56211 Settlement Exhibit D.xlsx
56211 Settlement Exhibit E.xlsx
56211 Settlement Exhibit F.xlsx
56211 Settlement Exhibit G.xlsx
56211 Settlement Exhibit H.xlsx
56211 Settlement Exhibit I.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.

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

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

PROPOSED ORDER

This Order addresses the application of CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston”) for authority to change its rates. On January 28, 2025, CenterPoint Houston filed an unopposed settlement agreement between certain parties in this proceeding that, among other things, provides for a \$44,153,511.40 reduction to CenterPoint’s present wholesale and retail revenues of \$2.305 billion, plus an additional explicit reduction to remove CEO compensation expense of \$2,424,013, for a total reduction of \$46,577,524.40. The Commission approves the rates, terms, and conditions set forth in the settlement agreement to the extent provided in this Order.

The Commission adopts the following findings of fact and conclusions of law:

I. FINDINGS OF FACT

A. Applicant

1. CenterPoint Houston is a Texas limited liability company registered with the Texas secretary of state under filing 800119842.
2. CenterPoint Houston is a wholly-owned subsidiary of CenterPoint Energy, Inc.
3. CenterPoint Houston owns and operates for compensation in Texas facilities and equipment to transmit and distribute electricity in the Electric Reliability Council of Texas (“ERCOT”) region.
4. CenterPoint Houston holds certificate of convenience and necessity number 30086 to provide service to the public.
5. CenterPoint Houston serves approximately 2.8 million metered customers.

6. CenterPoint Houston's electric system covers approximately 5,000 square miles located in and around Houston, Texas and is comprised of approximately 58,000 miles of overhead and underground transmission and distribution lines and street lights.
7. CenterPoint Houston's last comprehensive base rate proceeding was Docket No. 49421.¹

B. Application

8. On March 6, 2024, CenterPoint Houston filed an application and statement of intent to change retail transmission and distribution rates and wholesale transmission rates with an effective date of April 10, 2024.
9. The applicable test year was the 12-month period ending December 31, 2023.
10. Through its application and subsequent errata, CenterPoint Houston sought Commission approval to increase transmission and distribution revenues by approximately \$57 million, consisting of approximately \$15 million related to service to retail customers, excluding TCRF and rate case expenses, and approximately \$42 million for wholesale transmission service.
11. In addition to the rate increase, CenterPoint Houston requested the Commission:
 - a. find that CenterPoint Houston's capital additions placed into service from January 1, 2019 and December 31, 2023, were prudent;
 - b. approve its proposed capital structure and return on equity;
 - c. approve its proposed cost allocation methodology and rate design;
 - d. approve its proposed updates or removal of Rider TCRF, Rider DCRF, Rider RCE, Schedule TC2, Schedule TC, Rider SRC, and Rider ADFITC;
 - e. approve its proposed Rider IRAs;

¹ *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 49421, Order (Mar. 9, 2020).

- f. approve its proposed charges to its Tariff for Wholesale Delivery Service;
 - g. approve its proposed depreciation rates;
 - h. approve an update to its annual self-insurance reserve accrual; and
 - i. find that its rate case expenses incurred in this proceeding and in Docket Nos. 53442, 54825, and 54830 were reasonable and necessary and authorize their recovery through Rider RCE.
- 12. Concurrent with filing its application with the Commission, CenterPoint Houston filed applications and statements of intent with each municipality in its service area that has original jurisdiction over its rates.
 - 13. CenterPoint Houston's application affects all retail electric providers ("REPs") serving end-use retail electric customers in its certificated service territory and all customers taking service under CenterPoint Houston's wholesale delivery service tariff.
 - 14. CenterPoint Houston's application and rate filing package was prepared in accordance with the requirements of the Commission including, but not limited to, 16 Texas Administrative Code ("TAC") § 25.231, Cost of Service and in accordance with the Transmission & Distribution Investor Owned Utilities Rate Filing Package for Cost-of-Service Determination ("RFP").
 - 15. The information provided in the RFP is taken from the Company's accounts and records as prescribed in the Federal Energy Regulatory Commission ("FERC") Electric Uniform System of Accounts ("USOA") as required by 16 TAC § 25.72.
 - 16. The workpapers have been appropriately designated, supported and positioned in accordance with RFP General Instruction No. 12, notes a, b, and c.
 - 17. The information provided in the RFP is based on the historical 12-month test year ending December 31, 2023.
 - 18. The books, accounts and records of CenterPoint Houston are maintained in accordance with generally accepted accounting principles ("GAAP"), follow the FERC USOA as required by Commission rules, and are maintained under normal business practices.

The business records were made available to all parties and the summaries thereof submitted as part of the application filed in this case were accurate.

19. No party challenged the adequacy and completeness of CenterPoint Houston's application.
20. In State Office of Administrative Hearings ("SOAH") Order No. 3 filed on April 2, 2024, the SOAH administrative law judges ("ALJs") found the application sufficient for further review.
21. CenterPoint Houston complied with the form and instructions for the Commission's rate-filing package, and the application was administratively complete.

C. Effective Date of Proposed Rates

22. In the application, CenterPoint Houston proposed an effective date of April 10, 2024.
23. In SOAH Order No. 1 filed March 7, 2024, the SOAH ALJs set the effective date for CenterPoint Houston's rate change to September 9, 2024.
24. In SOAH Order No. 2 filed March 27, 2024, the SOAH ALJs issued a procedural schedule that revised the effective date for CenterPoint Houston's rate change to December 20, 2024.
25. In a letter to SOAH filed on December 20, 2024, CenterPoint Houston notified SOAH and the parties that it was extending the effective date to January 31, 2025.

D. Notice

26. On March 9, 2024, CenterPoint Houston provided a copy of its application to: (a) each of the entities listed in the Commission's transmission matrix in Docket No. 56050;² and (b) each REP listed on the Commission's website.

² *Commission Staff's Petition to Set 2024 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas Inc.*, Docket No. 56050, Order (May 16, 2020).

27. CenterPoint Houston also provided a copy of its application to: (a) the appropriate officer of each municipality in the Company's service area, including a summary of the application, a summary of proposed rates by customers and rate class, and proposed tariffs; and (b) attorneys of record for each party that participated in Docket No. 49421.
28. On March 18, March 25, April 1, and April 8, 2024, CenterPoint Houston published notice of its application in a newspaper having general circulation in each county containing territory affected by the Company's application.
29. On April 18, 2024, CenterPoint Houston filed the affidavit of Alice S. Hart attesting to the completion of the publication of notice as required by 16 TAC § 22.51(a)(1).
30. No party challenged the adequacy of the notice provided by CenterPoint Houston.

E. Intervenor

31. In SOAH Order No. 2 issued on March 27, 2024, the SOAH ALJs granted intervenor status to the following entities: Office of Public Utility Counsel ("OPUC"); Houston Coalition of Cities ("HCOC"); Gulf Coast Coalition of Cities ("GCCC"); Texas Coast Utilities Coalition ("TCUC") (collectively, with HCOC and GCCC, "Cities"); Texas Industrial Energy Consumers ("TIEC"); Walmart Inc; International Brotherhood of Electrical Workers Local 66 ("IBEW Local 66"); Environmental Defense Fund ("EDF"); and Texas Consumer Association.
32. In SOAH Order No. 5 issued on May 1, 2025, the SOAH ALJs granted intervenor status to the following entities: Hunt Energy Network LLC; Texas Energy Association for Marketers and Alliance for Retail Markets (collectively, the "REP Coalition"); SMT TX Management II LLC; Chevron Phillips Chemical Company, LP; South-Central Partnership for Energy Efficiency as a Resource ("SPEER"); Lee Milam; Timothy S. Large; and Rebecca Elliott.
33. On June 12, 2024, Timothy S. Large filed a Notice of Withdrawal as an Intervenor.

F. Appeals of Municipal Ordinances

34. CenterPoint Houston timely appealed to the Commission the actions of the following municipalities exercising original jurisdiction with CenterPoint Houston's service

territory: Bellaire, Oak Ridge North, Surfside Beach, Brazos Country, Brookside Village, Clear Lake Shores, Deer Park, Friendswood, Galveston, Hunters Creek Village, Jersey Village, Lake Jackson, Manvel, Missouri City, Oyster Creek, Rosenberg, Santa Fe, South Houston, Stafford, Taylor Lake Village, the Village of Fairchilds, Weston Lakes, Hedwig Village, La Porte, Simonton, the Village of Pleak, Webster, Alvin, Baytown, Bunker Hill Village, Fulshear, Houston, La Marque, League City, Seabrook, Spring Valley Village, Sugar Land, Texas City, Wharton, Beach City, Clute, Danbury, Dickinson, East Bernard, El Lago, Freeport, Meadows Place, Pasadena, Pearland, Quintana, Richmond, Richwood, Sandy Point, Sealy, Shoreacres, Southside Place, Thompsons, Tiki Island, Village of Jones Creek, West Columbia, and West University Place.

35. In SOAH Order No. 9 issued on June 20, 2024, SOAH Order No. 10 issued on July 12, 2024, and SOAH Order No. 12 issued on August 1, 2024, the SOAH ALJs consolidated, for determination in this proceeding, all of CenterPoint Houston's petitions for review of the rate actions of the municipalities exercising original jurisdiction within CenterPoint Houston's service territory as follows:

SOAH Order	Municipalities
9	Bellaire, Oak Ridge North, Surfside Beach, Brazos Country, Brookside Village, Clear Lake Shores, Deer Park, Friendswood, Galveston, Hunters Creek Village, Jersey Village, Lake Jackson, Manvel, Missouri City, Oyster Creek, Rosenberg, Santa Fe, South Houston, Stafford, Taylor Lake Village, the Village of Fairchilds, and Weston Lakes
10	Hedwig Village, La Porte, Simonton, the Village of Pleak, and Webster
12	Alvin, Baytown, Bunker Hill Village, Fulshear, Houston, La Marque, League City, Seabrook, Spring Valley Village, Sugar Land, Texas City, Wharton, Beach City, Clute, Danbury, Dickinson, East Bernard, El Lago, Freeport, Meadows Place, Pasadena, Pearland, Quintana, Richmond, Richwood, Sandy Point, Sealy, Shoreacres, Southside Place, Thompsons, Tiki Island, Village of Jones Creek, West Columbia, and West University Place

G. Testimony and Statements of Position

36. On March 6, 2024, CenterPoint Houston included in its application the direct testimonies and exhibits of Lynnae K. Wilson, Jason M. Ryan, Eric D. Easton, David Mercado, Deryl Tumlinson, Randal M. Pryor, Mandie Shook, Rina H. Harris, John R. Hudson III, Kristie L. Colvin, L. Darren Storey, Jennifer K. Story, Steven Greenley, Ronald W. Bahr, Shonda Royston-Johnson, M. Shane Kimzey, Brad Tutunjian, Stephanie Bundage Juvane, Carla Kneipp, John Sousa, Bertha R. Villatoro, Timothy S. Lyons, Dane A. Watson, Ann E. Bulkley, Jacqueline M. Richert, Gregory S. Wilson, Dr. J. Stuart McMenamin, John R. Durland, and Myles F. Reynolds.

37. On June 19, 2024, the following direct testimonies were filed:

Filing Party	Filing Description
OPUC	Direct testimonies and exhibits of Laurie Tomczyk and Kyra Coyle
HCOC	Direct testimonies and exhibits of Mark E. Garrett, Steven D. Hunt, Michael E. Ivey, and Breandan T. Mac Mathuna
TCUC	Direct testimonies and exhibits of David J. Garrett, Scott Norwood, and J. Randall Woolridge
GCCC	Direct testimony of Lane Kollen
TIEC	Direct testimonies and exhibits of Michael P. Gorman and Jeffry Pollock
Walmart Inc.	Direct testimony and exhibits of Lisa V. Perry
EDF	Direct testimonies and exhibits of Yihao Xie and Chris Hickman

38. On June 20, 2024, SPEER filed a Statement of Position.
39. On June 21, 2024, HCOC filed the direct testimony of Kit Pevoto.
40. On June 26, 2024, and June 28, 2024, Staff filed the direct testimonies and exhibits of Mark Filarowicz, Ruth Stark, James Euton, Adrian Narvaez, John Poole, and Vonetta Jackson.
41. On July 10, 2024, Staff filed the cross-rebuttal testimony of Adrian Narvaez and William B. Abbott.
42. On July 12, 2024, CenterPoint Houston filed the rebuttal testimonies of Jason Ryan, Jacqueline Richert, Kristie Colvin, Ann Bulkley, Bertha Villatoro, Jennifer Story, Ronald Bahr, Brad Tutunjian, John Durland, Timothy Lyons, Dane Watson, Gregory Wilson, and Myles Reynolds.

43. In SOAH Order No. 10 issued on July 12, 2024, the ALJs extended the deadline for CenterPoint Houston to file rebuttal testimonies for Eric D. Easton, David Mercado, Deryl Tumlinson, Mandie Shook, Randal H. Pryor, and Rina H. Harris to July 19, 2024. Additionally, supplemental rebuttal testimony of Kristie L. Colvin was also extended to July 19, 2024.

H. Referral to SOAH

44. On March 7, 2024, the Commission referred this docket to SOAH and ordered CenterPoint Houston, Commission Staff, and any other interested party to file a list of issues by March 21, 2024.
45. In SOAH Order No. 1 issued on March 7, 2024, the SOAH ALJs suspended rates until September 7, 2024, and provided notice of a prehearing conference.
46. On April 11, 2024, the Commission approved the preliminary order (Preliminary Order) for this docket, setting forth a list of 62 issues to be addressed.
47. In SOAH Order No. 8 issued on June 20, 2024, the ALJ extended the deadline for testimony regarding cost allocation to June 21, 2024, for intervenors and to June 28, 2024, for Staff.
48. In SOAH Order No. 10 issued on July 12, 2024, the ALJ extended the deadline to file rebuttal testimony for CenterPoint Houston to July 19, 2024, and the deadline for discovery on this testimony to July 24, 2024.
49. In SOAH Order No. 11 issued on July 17, 2024, the ALJ abated all pending deadlines in this proceeding and cancelled the hearing on the merits scheduled to begin on July 29, 2024, to allow the parties to pursue settlement discussions.
50. SOAH Order No. 11 held that the parties must file a status report by August 2, 2024, and every two weeks thereafter.
51. CenterPoint Houston filed a Notice of Withdrawal of its application in this case on August 1, 2024. In SOAH Order No. 14 issued on August 16, 2024, the ALJ denied CenterPoint Houston's withdrawal.

52. On August 23, 2024, CenterPoint Houston filed an appeal of SOAH Order No. 14. On November 8, 2024, CenterPoint Houston withdrew its appeal of SOAH Order No. 14.

I. Agreement

53. On January 28, 2025, an unopposed stipulation and settlement agreement (“Agreement”) was filed by CenterPoint Houston.
54. The signatories to the Agreement are CenterPoint Houston, the Commission Staff; HCOC; GCCC; TCUC (collectively, with HCOC, GCCC, and TCUC referred to as the “Cities”); TIEC; the REP Coalition; Walmart Inc; IBEW Local 66; EDF; OPUC; and SPEER.
55. The signatories agreed that good cause exists to waive applicable rules and procedures to expedite the adoption of this Order, including but not limited to 16 TAC § 22.35.

J. Agreement – Overall Revenues, Effective Date, and Allocation of Revenue Requirement

56. The signatories agreed that CenterPoint Houston’s present wholesale and retail revenues of \$2.305 billion should be decreased by \$44,153,511.40, plus an additional explicit reduction of \$2,424,013 to remove Chief Executive Officer compensation expense, for a total reduction of \$46,577,524.40, as set out in Exhibit A to the Agreement.
57. The signatories agreed that approved rates will take effect no earlier than the 46th day after the date of the Commission’s final order approving the rates.
58. The signatories agreed that the agreed-upon revenue requirement be allocated as follows: \$653,511.40 will be directly allocated to the retail transmission customer class, and the remaining value, \$45,924,013, be allocated among retail customer classes and wholesale transmission such that each retail customer class and wholesale transmission receives the same percentage decrease from the revenue collected from present rates as set out in Exhibit B to the Agreement. For each retail customer class, CenterPoint Houston’s proposed customer and meter charges will be adopted. The distribution charge for each class will be designed so that the total revenue collected from the class’s

customer, meter, and distribution charges would reflect the total revenue reduction allocated to that class as set forth in Exhibit B.

- 59. The revenues produced by the rates approved in this Order will provide CenterPoint Houston with revenues sufficient to cover its expenses and provide CenterPoint Houston a reasonable opportunity to earn a reasonable return.
- 60. The Agreement's treatment of revenue requirement, effective date, and allocation issues is appropriate.

K. Agreement – Return and Capital Structure

- 61. The signatories agreed that beginning with the effective date of the new rates authorized in this proceeding, CenterPoint Houston's weighted average cost of capital ("WACC") shall be 6.606% based upon an as filed 4.29% cost of debt, an agreed return on equity ("ROE") of 9.65%, and an agreed regulatory capital structure of 56.75% long-term debt and 43.25% equity, as set out in Exhibit K to the Agreement.
- 62. The agreed return on equity, cost of debt, capital structure, and resulting WACC are reasonable and appropriate.
- 63. The signatories agreed that the agreed-upon WACC, cost of debt, return on equity, and capital structure of CenterPoint Houston would apply in all Commission proceedings or Commission filings requiring application of such items.
- 64. The agreed-upon WACC, cost of debt, return on equity, and capital structure for CenterPoint Houston to apply in all Commission proceedings or Commission filings requiring application of such items is appropriate.

L. Agreement – Cash Working Capital

- 65. The signatories agreed that CenterPoint Houston's CWC should be reduced by \$5,180,289 from the amount proposed in Schedule II-B-9, for a total CWC amount of \$6,988,071.
- 66. The Agreement's treatment of CWC is appropriate.

M. Agreement – Approval of Tariffs and Customer Agreements

67. CenterPoint Houston's requested tariffs and customer agreements, as modified by the parties' Agreement and set out in Exhibit C to the Agreement, are appropriate.
68. The signatories agreed that CenterPoint Houston will add the following language at the end of paragraph 1 of Section 6.3.4.2 of its tariff: "Retail Customer A and Retail Customer B may be the same person or legal entity."
69. The Agreement's treatment of paragraph 1 of Section 6.3.4.2 of CenterPoint Houston's tariff is appropriate.
70. The signatories agreed that CenterPoint Houston shall include the following language in its Tariff for Retail Delivery Service at Section 6.1.2.2 Construction Services Policy and Charges, Subsection 2.3 Transmission Voltage Facility Extensions, set forth in Exhibit C to the Agreement: "If the Company is reimbursed more than \$10,000,000 (including all applicable tax gross-up) by a Customer with respect to a transmission interconnection project, and more transmission customers are served by any or all of the facilities constructed pursuant to that reimbursement within a five-year period following the date in which any equipment is energized by the Company, then the initial Customer that reimbursed the Company shall be entitled to receive a prorated refund of the reimbursement for common facilities when the additional transmission customers execute an agreement for electric service within the five-year period described above. After payment is received from the additional transmission customer(s), a refund of reimbursement for common facilities to the initial Customer will be made on a pro-rata share of the amount initially paid by the initial Customer."
71. It is appropriate that CenterPoint Houston include the language in Finding of Fact 70 in its Tariff for Retail Delivery Service at Section 6.1.2.2 Construction Services Policy and Charges, Subsection 2.3 Transmission Voltage Facility Extensions.
72. The signatories agreed not to include the charges for load studies and stability studies from the Terms of Service for CenterPoint Houston's Transmission Service rate schedule, as set out in Exhibit C to the Agreement.

73. The Agreement's exclusion of charges for load studies and stability studies from the Terms of Service for its Transmission Service rate schedule is appropriate.
74. The signatories agreed that CenterPoint Houston shall update the current interim rates for Wholesale Distribution Service set out in Section 4.2 of CenterPoint Houston's Tariff for Wholesale Delivery Service (established in Docket No. 53606) to reflect the Primary Service rates approved in this proceeding, as set out in Exhibit C to the Agreement. For the avoidance of doubt, the distribution charge developed under the total revenue requirement for the Primary Service class as set out in Exhibit C that reflects the revenue requirement reduction agreed to by the signatories will also be applied to the Wholesale Delivery Service class's distribution charge.
75. The signatories agreed that the rates adopted in Docket No. 53606 and updated in this proceeding are adopted on an interim basis and are subject to refund or surcharge to the extent appropriate based on the resolution of Project No. 54224. All parties retained the right to take any position in Project No. 54224.
76. It is appropriate that CenterPoint Houston update the current interim rates for Wholesale Distribution Service and establish new interim rates that reflect the Primary Service rates approved in this proceeding.
77. The signatories agree that CenterPoint Houston's requested retail Rider IRA, Wholesale Service Rider WT IRA, and Wholesale Distribution Rider WD IRA, set out in Exhibit C to the Agreement, are reasonable with the following condition: Only the return on corporate alternative minimum tax deferred tax assets arising to the extent CenterPoint Houston meets the definition of an applicable corporation based solely on its own stand-alone adjusted financial statement income ("AFSI") without regard to the income of any affiliates, and calculated solely on that stand-alone AFSI will be collected in the Rider IRAs between the date rates from this proceeding go into effect and the date rates from CenterPoint Houston's next base rate case go into effect.
78. It is appropriate to adopt CenterPoint Houston's requested Rider IRAs, conditioned on the language in Finding of Fact 77.

N. Agreement – Ringfencing

- 79. The signatories agreed that the ringfencing provision set out in Ordering Paragraph No. 30 in the Final Order in Docket No. 49421 should be modified to read: “CenterPoint Houston must maintain registrations with Moody’s and S&P ratings agencies.”
- 80. The signatories agreed that the ringfencing provision set out in Ordering Paragraph No. 39 in the Final Order in Docket No. 49421 should be modified to read: “CenterPoint Houston must notify the Commission if its credit issuer rating or corporate rating as rated by Moody’s or S&P falls below investment-grade level.”
- 81. The signatories agreed to the following additional ringfencing provision: “CenterPoint Houston will not seek to recover from customers any costs incurred as a result of a bankruptcy of CenterPoint Energy, Inc. or any of its affiliates other than CenterPoint Houston or caused by a bankruptcy of CenterPoint Houston.”
- 82. The signatories agreed to the following additional ringfencing provision: “No CenterPoint Houston assets may be pledged for or used to secure the debt of other entities.”
- 83. The Agreement’s modification of the ringfencing provisions is appropriate.

O. Agreement – Gross Plant in Service

- 84. The signatories agreed that CenterPoint Houston’s requested gross plant in service of \$17,795,166,166 through the end of the test year (December 31, 2023) shall be reduced by \$10,000,000, as reflected on Exhibit D to the Agreement, along with the associated impacts to accumulated depreciation and ADIT. CenterPoint Houston will not seek recovery of, or a return on, the plant listed in Exhibit D to the Agreement in any future proceeding. CenterPoint Houston will not be required to make a refund of any amounts associated with this disallowance.
- 85. The remaining gross plant in service is prudent and properly included in rate base.
- 86. The Agreement’s treatment of gross plant in service is appropriate.

P. Agreement – Regulatory Assets and Liabilities

87. The signatories agreed that CenterPoint Houston's regulatory assets and liabilities at issue in this proceeding, all of which will be amortized over five years beginning on the date rates take effect, are reasonable.
88. CenterPoint Houston shall prioritize recovery of carrying costs for the following regulatory assets, as shown on Schedule II-E-4.1.1, and amortize them based on the same priority: Hurricane Harvey as shown in Docket No. 49421; Hurricane Harvey Trailing Charges; Hurricane Laura; Hurricane Nicholas; Long Lead Time Facilities; Winter Storm Uri; Ike Residual; Ike Residual as shown in Docket No. 49421. The prioritization is as follows: (1) Equity carrying costs; (2) Debt carrying costs; and (3) all other costs.
89. The Agreement's treatment of regulatory assets and liabilities is appropriate.

Q. Agreement – Reimbursement of Rate Case Expenses

90. The signatories agreed that CenterPoint Houston shall reimburse Cities for rate case expenses incurred through the completion of this proceeding within 30 days of a final order issuance or receipt of invoices, whichever is later.
91. The signatories agreed to a \$145,000 reduction to CenterPoint Houston's rate-case expenses as recommended in the Direct Testimony of Staff witness Vonetta Jackson. For expenses incurred after December 31, 2023, CenterPoint Houston shall apply an equivalent percentage of 16.4% to determine the reduction amount for those expenses. Parties agree that Rider RCE is appropriate to use for recovery of CenterPoint Houston's and Cities' rate case expenses.
92. The signatories agreed that CenterPoint Houston shall reimburse Cities for their reasonable rate-case expenses associated with this proceeding, including amounts incurred during August 2024, September 2024, and October 2024. However, the Company will not seek recovery of its own or Cities' rate-case expenses in connection with this proceeding incurred during the months of August 2024, September 2024, or

October 2024, as these expenses are not reasonable and necessary for purposes of recovery from ratepayers.

93. The signatories agreed that CenterPoint Houston shall reimburse Cities for their expenses incurred in CenterPoint's System Resiliency Plan ("SRP"), which it withdrew on August 1, 2024, in Docket No. 56548, Application of CenterPoint Energy Houston Electric, LLC for Approval of Its Transmission and Distribution System Resiliency Plans (Docket No. 56548) for the period of April 2024 through August 2024.
94. The signatories agreed that CenterPoint Houston shall reimburse Cities for the reasonable expenses Cities incur in CenterPoint's 2025 SRP proceeding, including Cities' reasonable expenses incurred to monitor CenterPoint's implementation of its SRP,
95. The signatories agreed that CenterPoint Houston shall reimburse Cities for reasonable expenses Cities incur in Docket No. 57271, in related finance-order filings, and in CenterPoint Houston's future storm-restoration proceedings related to Hurricane Beryl, including the cost-determination filings and finance-order filings related to such proceedings.
96. It is appropriate that CenterPoint Houston reimburse Cities for expenses incurred, and recover its own rate-case expenses, as described in Findings of Fact 90 through 95.

R. Agreement – Wholesale Transmission Service ("WTS") Rate

97. The signatories agreed that CenterPoint Houston's WTS rate should be set using the Commission approved 2023 Four Coincident Peak ("4CP") value of 83,685,241.4 kW.
98. It is appropriate that CenterPoint Houston's WTS rate be set using the Commission approved 2023 4CP value of 83,685,241.4 kW.

S. Agreement – Allowance for Funds Used During Construction ("AFUDC")

99. The signatories agreed that CenterPoint Houston shall adhere to AFUDC account requirements pursuant to the FERC USOA (18 C.F.R., Part 101, Electric Plant Instruction No. 3(17)) and related precedent.

100. The signatories agreed that CenterPoint Houston shall discontinue rounding the AFUDC rate up to the next 0.25%, effective January 1, 2025.
101. It is appropriate that CenterPoint Houston adhere to AFUDC account requirements pursuant to the FERC Uniform System of Accounts and related precedent.
102. It is appropriate that CenterPoint Houston discontinue rounding the AFUDC rate up to the next 0.25%, effective January 1, 2025.

T. Agreement – Approval of Requested Billing Determinants

103. CenterPoint Houston’s requested billing determinants as set out in Schedule IV-J-5 (as amended by any errata) are reasonable.

U. Agreement – Approval of the Accounting Treatment for Third-Party Cloud Computing Arrangements (“CCAs”)

104. The signatories agreed that CenterPoint Houston’s requested accounting treatment for third-party CCAs, as described in the Direct Testimony of CenterPoint Houston witness Kristie L. Colvin, is reasonable.
105. It is appropriate to adopt CenterPoint Houston’s requested accounting treatment for third-party CCAs, as described in the Direct Testimony of CenterPoint Houston witness Kristie L. Colvin.

V. Agreement – Statutory Requirements and Baseline Values

106. The signatories agreed to adopt statutory requirements and baseline values as set forth in findings of fact 107 through 115 of this Order.
107. To the extent that affiliate costs are included in the agreed-to rates, they are reasonable and necessary for each class of affiliate costs presented in CenterPoint Houston’s application.
108. To the extent that affiliate costs are included in the agreed-to rates, the prices charged to CenterPoint Houston are not higher than the prices charged by the supplying affiliate for the same item or class of items to its other affiliates or divisions or to a non-affiliated person with the same market areas or having the same market conditions.

109. CenterPoint Houston's request for an annual self-insurance reserve accrual of \$22.34 million and a new target property insurance reserve of \$16.7 million, as described in the Direct Testimony of Company witness Gregory S. Wilson, is reasonable.
110. CenterPoint Houston will continue to use current depreciation rates approved in Commission Docket No. 49421.
111. CenterPoint Houston's requested Pension and Other Postemployment Benefits ("OPEB") Baselines as shown in Table 2 in the Direct Testimony of Kristie L. Colvin are reasonable. Consistent with PURA § 36.065, CenterPoint Houston's Pension and OPEB Baselines are \$11,605,293 for the qualified defined benefit pension plan, \$12,782,647 for the qualified defined contribution pension plan, and (\$494,986) for OPEB expense as shown in Exhibit E to the Agreement and are reasonable.
112. CenterPoint Houston's request for approval of a new baseline for the LLTF Balance in Rates, as described in Exhibit F to the Agreement, is reasonable. The fact that the signatories have agreed to the use of this baseline value as specified in this section does not reflect an agreement on any methodology that may be used by CenterPoint Houston in a future case regarding LLTF cost recovery.
113. The Transmission Cost Recovery Factor ("TCRF") baseline values and accounting and the proposed allocation factors for future TCRF updates requested in the Application (as modified by and set out in Exhibit G to the Agreement) are reasonable.
114. The Distribution Cost Recovery Factor ("DCRF") baseline values and accounting requested in the Application (as modified by and set out in Exhibit H to the Agreement) are reasonable.
115. The Transmission Cost of Service ("TCOS") baseline values and accounting requested in the Application (as modified by and set out in Exhibit I to the Agreement) are reasonable.

W. Net Operating Loss Carryforward Accumulated Deferred Income Tax (“NOLC ADIT”) Amount Calculation

- 116. The signatories agreed that CenterPoint Houston's NOLC ADIT amount included in future DCRF Update filings shall be calculated in accordance with PURA § 36.060.
- 117. It is appropriate that CenterPoint Houston's NOLC ADIT amount included in future DCRF Update filings are calculated in accordance with PURA § 36.060.

X. Agreement – Moratorium on Disconnections for Nonpayment Due to Extreme Weather Events

- 118. The signatories agreed that no later than May 1, 2025, CenterPoint Houston will issue the moratorium on disconnections for nonpayment (“DNP”) due to extreme weather events by county rather than for its entire service area. Additionally, CenterPoint Houston shall only implement DNP moratoriums consistent with PUC rules and the Company's tariff.
- 119. It is appropriate that CenterPoint Houston issue the DNP moratorium due to extreme weather events by county and only implement DNP moratoriums consistent with PUC rules and the Company's tariff.

Y. Agreement – Posting of Current Rates and Any Pending Rate Change Requests

- 120. The signatories agreed that CenterPoint Houston shall post current rates and any pending rate change requests on a publicly available location in the competitive retailer section of CenterPoint Houston's website, include the current rates for all customer classes, and be posted in a chart format.
- 121. It is reasonable that CenterPoint Houston post current rates and any pending rate change requests on a publicly available location in the competitive retailer section of CenterPoint Houston's website, include the current rates for all customer classes, and be posted in a chart format.

Z. Agreement – Outage Tracker

- 122. CenterPoint Houston agreed to return an online outage tracker map to operation within 30 days of the date of the Agreement. The signatories agreed that CenterPoint Houston

shall file a report with the Commission providing the performance time of its outage tracker following any system outage involving more than 250,000 customers.

AA. Agreement – Compliance Filing

123. If the pending DCRF is approved before the approval of a final order in this case, CenterPoint Houston shall revise the DCRF rates in effect at the time the final order in this case is approved to reflect removal of any duplicative amounts in base rates that would otherwise be recovered in such DCRF. Any such update will be implemented to DCRF rates at the same time final rates from this rate case are implemented.

BB. Agreement – One-Time Refund

124. The signatories agreed that, to provide customers with the benefit of the revenue requirement reduction stated in Finding of Fact 56 as of January 1, 2025, within five working days after approval of the final order in this case, CenterPoint Houston will submit an application for a one-time refund of \$5.2 million to retail and wholesale customers allocated among functions and rate classes based on the agreed functional and class revenue requirement amounts consistent with Finding of Fact 58 above in an equalized percentage basis. CenterPoint Houston should use an existing SAC04 code to effectuate the refund and provide retail electric providers 45-day notice of the refund.

CC. Agreement – Additional Matters

125. By June 30, 2025, CenterPoint Houston agreed to host a collaborative working group, open to relevant entities including the Port of Houston and other relevant municipal entities, to discuss implementation of Phase 1 of the National Zero-Emission Freight Corridor Strategy. At this discussion, CenterPoint Houston will provide an analysis of each of the locations within CenterPoint Houston's territory identified as a Phase 1 hub location as of December 31, 2024, including for each Principal Port site (i) projected magnitude and timing of loads, and (ii) anticipated distribution system investments needed to serve such loads.
126. CenterPoint Houston agreed to host a collaborative working group, open to interested external stakeholders including municipal entities, regional and state planning entities, fleets, charging providers (e.g., EVSEs, charging-as-a-service providers, OEMs), and

nonprofits to incorporate electric vehicle load growth into distribution system planning, deployment, and operation. This working group will meet at least once per year.

127. By December 31, 2025, CenterPoint Houston agreed to produce a public report that identifies technological, security, and other potential barriers to publishing publicly available hosting capacity data, and the Company's plans and estimated associated implementation costs to work to overcome those barriers.

II. Conclusions of Law

1. CenterPoint Houston is a public utility as that term is defined in PURA³ § 11.004(1) and an electric utility as that term is defined in PURA § 31.002(b).
2. The Commission has jurisdiction over this matter under PURA §§ 14.001, 32.001, 33.051, 36.001 through 36.211, and 39.552.
3. Under PURA § 33.051, each municipality in CenterPoint Houston's service area that has not ceded jurisdiction to the Commission has jurisdiction over CenterPoint Houston's application, which seeks to change rates for service within each municipality.
4. The Commission has jurisdiction over an appeal from municipalities' rate proceedings under PURA § 33.051.
5. The Commission processed the application in accordance with the requirement of PURA, the Administrative Procedure Act,⁴ and Commission rules.
6. Good cause exists to waive applicable rules and procedures to expedite the adoption of this Order.
7. The Commission's approval of the settlement is in accordance with the requirement of PURA, the Administrative Procedure Act, and Commission rules.

³ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001 – 66.016 (PURA).

⁴ Administrative Procedure Act, Tex. Gov't Code § 2001.001 -.902.

8. SOAH exercised jurisdiction over this proceeding under PURA § 14.053 and Texas Government Code § 2003.049.
9. CenterPoint Houston provided notice of the application in compliance with PURA § 36.103 and 16 TAC § 22.51(a) and filed affidavits attesting to the completion of notice in compliance with 16 TAC § 22.51(d).
10. The rates approved in this Order are just and reasonable; are not unreasonably preferential, prejudicial, or discriminatory; are sufficient, equitable, and consistent in application to each consumer class; and meet the requirements of PURA § 36.003.
11. In accordance with PURA § 36.051, the rates approved in this Order permit CenterPoint Houston a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses.
12. The retail revenue requirement approved in this Order does not include any expenses prohibited from recovery under PURA §§ 36.061(a) and 36.062.
13. CenterPoint Houston's invested capital through the end of the test year meets the requirement of PURA § 36.058.
14. The affiliate expenses included in CenterPoint Houston's rates under the Agreement comply with the requirements of PURA § 36.058.
15. Under PURA § 36.065(b), a utility may establish one or more reserve accounts for expenses for pension and other postemployment benefits.
16. The agreement resolves certain issues between the parties in this docket.
17. The tariff sheets and rates schedules approved in this Order are just and reasonable.
18. The Commission's adoption of a final order in accordance with the Agreement satisfies the requirements of Texas Government Code § 2001.051.

III. Ordering Paragraphs

In accordance with these finding of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves CenterPoint Houston's application, as modified by the Agreement, to the extent provided in this Order.
2. The Commission approves the rates, terms, and conditions described in this Order.
3. The Commission approves CenterPoint Houston's tariffs attached to the Agreement.
4. The final rates approved in this Order are effective no earlier than the 46th day after the date of this Order.
5. CenterPoint Houston must provide notice of the approved rates to retail electric providers no later than the first working day after the date of the Commission final order approving the rates.
6. Within 20 days of the date of this Order, CenterPoint Houston must file a clean record copy of the approved tariffs to be stamped "Approved" by Central Records and retained by the Commission.
7. CenterPoint Houston must serve copies of all tariff-related filings on all parties of record.
8. CenterPoint Houston's present wholesale and retail revenues of \$2.305 billion are decreased by \$44,153,511.40, plus an additional explicit reduction of \$2,424,013 to remove CEO compensation expense, for a total reduction of \$46,577,524.40, as set out in Exhibit A to the Agreement.
9. Within five working days after approval of the final order in this case, CenterPoint Houston will submit an application for a one-time refund of \$5.2 million to retail and wholesale customers allocated among functions and rate classes based on the agreed functional and class revenue requirement amounts consistent with Finding of Fact 58 above in an equalized percentage basis. CenterPoint Houston will use an existing

SAC04 code to effectuate the refund. CenterPoint Houston will provide retail electric providers 45-day notice of the refund.

10. The revenue requirement approved by this Order shall be allocated as follows: \$653,511.40 will be directly allocated to the retail transmission customer class, and the remaining value, \$45,924,013, shall be allocated among retail customer classes and wholesale transmission such that each retail customer class and wholesale transmission receives the same percentage decrease from the revenue collected from present rates as shown in Exhibit B to the Agreement.
11. For each retail customer class, CenterPoint Houston's proposed customer and meter charges will be adopted. The distribution charge for each class will be designed so that the total revenue collected from the class's customer, meter, and distribution charges would reflect the total revenue reduction allocated to that class as set forth in Exhibit B. This will not include the Company's proposal to update TCRF to reflect any changes in wholesale transmission rates approved by the Commission since the initial filing of this case and for changes in the TCRF allocation factors. The TCRF rider is not updated in this proceeding.
12. CenterPoint Houston shall have a weighted average cost of capital of 6.606% based upon an as filed 4.29% cost of debt, an agreed ROE of 9.65%, and an agreed regulatory capital structure of 56.75% long-term debt and 43.25% equity.
13. The weighted average cost of capital, cost of debt, ROE, and capital structure of CenterPoint Houston adopted in this Order apply in all Commission proceedings or Commission filings requiring application of such items.
14. CenterPoint Houston's CWC is reduced by \$5,180,289 from the amount proposed in Schedule II-B-9, for a total CWC amount of \$6,988,071.
15. The ringfencing provision set out in Ordering Paragraph No. 30 in the Final Order in Docket No. 49421 is modified to read: "CenterPoint Houston must maintain registrations with Moody's and S&P ratings agencies."

16. The ringfencing provision set out in Ordering Paragraph No. 39 in the Final Order in Docket No. 49421 is modified to read: “CenterPoint Houston must notify the Commission if its credit issuer rating or corporate rating as rated by Moody’s or S&P falls below investment-grade level.”
17. CenterPoint Houston may not seek to recover from customers any costs incurred as a result of a bankruptcy of CenterPoint Energy, Inc. or any of its affiliates other than CenterPoint Houston or caused by a bankruptcy of CenterPoint Houston.
18. No CenterPoint Houston assets may be pledged for or used to secure the debt of other entities.
19. CenterPoint Houston’s requested gross plant in service of \$17,795,166,166 through the end of the test year (December 31, 2023) is reduced by \$10,000,000, as reflected on Exhibit D attached to the Settlement Agreement, along with the associated impacts to accumulated depreciation and ADIT.
20. CenterPoint Houston shall not seek recovery of, or a return on, the plant listed in Exhibit D to the Settlement Agreement in any future proceeding.
21. CenterPoint Houston shall reimburse Cities for rate case expenses incurred through the completion of this proceeding within 30 days of a final order issuance or receipt of invoices, whichever is later.
22. CenterPoint Houston’s rate case expenses incurred through December 31, 2023, shall be reduced by \$145,000. For expenses incurred after December 31, 2023, CenterPoint Houston shall apply an equivalent percentage of 16.4% to determine the reduction amount for those expenses.
23. CenterPoint Houston shall reimburse Cities for their reasonable rate-case expenses associated with this proceeding, including amounts incurred during August 2024, September 2024, and October 2024. However, the Company will not seek recovery of its own or Cities’ rate-case expenses in connection with this proceeding incurred during the months of August 2024, September 2024, or October 2024, as these expenses are not reasonable and necessary for purposes of recovery from ratepayers.

24. Within 30 days of a final order issuance in this proceeding or receipt of invoices, whichever is later, CenterPoint Houston shall reimburse Cities for their expenses incurred in CenterPoint's SRP, which it withdrew on August 1, 2024, in Docket No. 56548, Application of CenterPoint Energy Houston Electric, LLC for Approval of Its Transmission and Distribution System Resiliency Plans (Docket No. 56548) for the period of April 2024 through August 2024.
25. CenterPoint Houston shall reimburse Cities for the reasonable expenses Cities incur in CenterPoint's 2025 SRP proceeding, including Cities' reasonable expenses incurred to monitor CenterPoint's implementation of its SRP.
26. CenterPoint Houston shall reimburse Cities for the reasonable expenses Cities incur in Docket No. 57271, in related finance-order filings, and in CenterPoint Houston's future storm-restoration proceedings related to Hurricane Beryl, including the cost-determination filings and finance-order filings related to such proceedings.
27. The rates adopted in Docket No. 53606 and updated in this proceeding are adopted on an interim basis and are subject to refund or surcharge to the extent appropriate based on the resolution of Project No. 54224.
28. CenterPoint Houston's WTS rate shall be set using the Commission approved 2023 4CP value of 83,685,241.4 kW.
29. CenterPoint Houston shall adhere to AFUDC account requirements pursuant to the FERC Uniform System of Accounts (18 C.F.R., Part 101, Electric Plant Instruction No. 3(17)) and related precedent.
30. CenterPoint Houston shall discontinue rounding the AFUDC rate up to the next 0.25%, effective January 1, 2025.
31. CenterPoint Houston shall implement the Rider IRAs, conditioned on the language in Finding of Fact 77.
32. CenterPoint Houston shall implement the requested accounting treatment for third-party CCAs, as described in the Direct Testimony of CenterPoint Houston witness Kristie L. Colvin.

33. CenterPoint Houston shall continue to use current depreciation rates approved in Commission Docket No. 49421.
34. The allocation factors for future DCRF proceedings will be those stated in the Application (as modified by the Agreement).
35. No later than May 1, 2025, CenterPoint Houston shall issue the moratorium on disconnections for nonpayment (“DNP”) due to extreme weather events by county rather than for its entire service area. Additionally, CenterPoint Houston shall only implement DNP moratoriums consistent with PUC rules and the Company’s tariff.
36. CenterPoint Houston shall post current rates and any pending rate change requests on a publicly available location in the competitive retailer section of CenterPoint Houston’s website, include the current rates for all customer classes, and be posted in a chart format.
37. CenterPoint Houston agreed to return an online outage tracker map to operating within 30 days of the date of the Agreement. CenterPoint Houston shall file a report with the Commission providing the performance time of its outage tracker following any system outage involving more than 250,000 customers.
38. If the pending DCRF is approved before the approval of a final order in this case, CenterPoint Houston shall revise the DCRF rates in effect at the time the final order in this case is approved to reflect removal of any duplicative amounts in base rates that would otherwise be recovered in such DCRF. Any such update will be implemented to DCRF rates at the same time final rates from this rate case are implemented.
39. By June 30, 2025, CenterPoint Houston will host a collaborative working group, open to relevant entities including the Port of Houston and other relevant municipal entities, to discuss implementation of Phase 1 of the National Zero-Emission Freight Corridor Strategy. At this discussion, CenterPoint Houston will provide an analysis of each of the locations within CenterPoint Houston’s territory identified as a Phase 1 hub location as of December 31, 2024, including for each Principal Port site (i) projected magnitude

- and timing of loads, and (ii) anticipated distribution system investments needed to serve such loads.
40. CenterPoint Houston will host a collaborative working group, open to interested external stakeholders including municipal entities, regional and state planning entities, fleets, charging providers (e.g., EVSEs, charging-as-a-service providers, OEMs), and nonprofits to incorporate electric vehicle load growth into distribution system planning, deployment, and operation. This working group will meet at least once per year.
 41. By December 31, 2025, CenterPoint Houston will produce a public report that identifies technological, security, and other potential barriers to publishing publicly available hosting capacity data, and the Company's plans and estimated associated implementation costs to work to overcome those barriers.
 42. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
 43. The Commission denies all other motions and any other requests for general or specific relief that are not expressly granted.

Signed at Austin, Texas the ____ day of _____, 2025.

PUBLIC UTILITY COMMISSION OF TEXAS

THOMAS GLEESON, CHAIRMAN

KATHLEEN JACKSON, COMMISSIONER

COURTNEY HJALTMAN, COMMISSIONER

The following files are not convertible:

56211 Settlement Exhibit K.xlsx

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