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

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

BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

Houston Coalition of Cities' Proposed List of Issues

Pursuant to the Order of Referral entered in this docket by the Public Utility Commission of Texas (Commission) on March 7, 2024, the Houston Coalition of Cities ("HCC") submits the following proposed preliminary list of issues to be addressed in this proceeding. This list is preliminary in nature and not intended to be exhaustive of all the issues in this proceeding. HCC has just recently begun its review of the issues in this case. HCC, therefore, reserves the right to raise additional issues during the course of this proceeding that may arise from further review of the application and pertinent authorities.

Issues List

- 1. What is CenterPoint's reasonable and necessary cost of providing transmission and distribution service, calculated in accordance with statutory and Commission requirements?
- 2. Are costs appropriately assigned to CenterPoint and its affiliates? Has CenterPoint met the standard for recovery of affiliate costs under PURA § 36.058 and Commission requirements?
- 3. Are all components of CenterPoint's rate base reasonable and necessary?
- 4. What is the appropriate and reasonable overall rate of return, return on equity, cost of debt, and capital structure for CenterPoint?
- 5. Are CenterPoint's costs properly functionalized into transmission, distribution, metering, and customer service categories?
- 6. What is the appropriate and reasonable cost allocation and rate design of the transmission and distribution rates?

- 7. Should protections be included for low-income customers? If so, how can those protections be accomplished?
- 8. Are CenterPoint's proposed rates just and reasonable and in compliance with all relevant statutory Commission requirements?
- 9. Are CenterPoint's proposed energy efficiency expenditures reasonable and necessary?
- 10. Does CenterPoint's rate treatment of energy efficiency expenditures comply with PURA and PUC Subst. Rules?
- 11. What are the reasonable depreciation rates to be used for determining transmission and distribution rates, and for determining future depreciation expenses for CenterPoint?
- 12. What are the reasonable, weather normalized test year customer class energy usage levels, peak demands and billing determinants to be used for establishing revenue levels and new rates?
- 13. Are CenterPoint's proposed changes to discretionary service charges, tariff terms and conditions and other charges and riders reasonable?
- 14. What are the reasonable rate case expenses incurred by CenterPoint and the municipalities for participation in this proceeding?
- 15. What, if any, of CenterPoint's distribution investment included in the distribution cost recovery factor from Docket Nos. 44572, 45747, 47032, 48226, 55993, and 54825 is reasonable and prudent? To the extent there are any such investment amounts not established to be reasonable and prudent, how should the funds recovered by CenterPoint in the distribution cost recovery factor be returned to ratepayers?
- 16. What are the reasonable operation and maintenance expenses associated with CenterPoint's transmission and distribution plant?
- 17. What are the reasonable and necessary expenses and investments associated with Hurricane Harvey, Winter Storm Uri, Hurricane Nicholas, Winter Storm Elliot, F3 tornado, and the 2023 microburst event? Has CenterPoint properly accounted for these expenses in its proposed rates?

Respectfully submitted,

Arturo G. Michel City Attorney

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By: <u>/s/ Alton J. Hall, Jr.</u> Alton J. Hall, Jr.

Counsel for Houston Coalition of Cities

CERTIFICATE OF SERVICE

I hereby certify that on this the 21st day of March, 2024, a true and correct copy of the foregoing document was served upon the parties of record by email, facsimile and/or First Class Mail.

<u>/s/ Alton J. Hall, Jr.</u> Alton J. Hall, Jr.