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Item Number - 62

Thomas J. Gleeson
Chairman

Lori Cobos
Commissioner

Jimmy Glotfelty
Commissioner

Kathleen Jackson
Commissioner



Greg Abbott
Governor

Connie Corona
Interim Executive Director

Public Utility Commission of Texas

TO: Chairman Thomas J. Gleeson
Commissioner Lori Cobos
Commissioner Jimmy Glotfelty
Commissioner Kathleen Jackson

All Parties of Record

FROM: Austin Spraez
Commission Advising

RE: *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 56211, SOAH Docket No. 473-24-13232, Draft Preliminary Order, April 11, 2024 Open Meeting, Item No. ##.

DATE: March 27, 2024

Please find enclosed the draft preliminary order filed by Commission Advising in the above-referenced docket. The Commission will consider this draft preliminary order at the April 11, 2024 open meeting. Parties shall not file responses or comments addressing this draft preliminary order.

Any modifications to the draft preliminary order that are proposed by one or more Commissioners will be filed simultaneously prior to the consideration of the matter at the April 11, 2024 open meeting.

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

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

DRAFT PRELIMINARY ORDER

CenterPoint Energy Houston Electric, LLC filed an application for authority to change rates and obtain other approvals. This preliminary order identifies the issues that must be addressed.

I. Overview

CenterPoint Houston filed a statement of intent under Public Utility Regulatory Act (PURA)¹ § 36.102 to change its rates. CenterPoint Houston seeks to increase its annual retail base rate revenue requirement by approximately \$17 million, or 1%, for service to retail customers excluding the Transmission Cost Recovery Factor (TCRF). CenterPoint Houston also seeks an increase of approximately \$43 million, or 6.6%, for wholesale transmission service over adjusted test year revenues.² CenterPoint Houston calculated its requested revenue requirement using an overall proposed rate of return of 7.03%, which reflects a debt-to-equity ratio of 55.10% to 44.90%, a return on equity of 10.4%, and a cost of debt of 4.29%.³ CenterPoint Houston stated that its request reflects over \$6.5 billion of investments in transmission and distribution infrastructure since CenterPoint Houston's last rate case.⁴ In addition to new rates, CenterPoint Houston requested a prudence determination on all capital investment made in the system from January 1, 2019, through December 31, 2023.⁵ CenterPoint Houston's test year for this application is calendar year 2023.⁶

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

² Application at 20, 30 (Mar. 6, 2024).

³ *Id.* at 2263, Direct Testimony of Jacqueline M. Richert at 29.

⁴ *Id.* at 45, Direct Testimony of Lynnae Wilson at 21.

⁵ *Id.* at 18.

⁶ *Id.* at 25.

II. Additional Proposals

A. Substation Retrofits

CenterPoint Houston stated that recent experiences with Hurricanes Ike and Harvey have resulted in additional system hardening and resilience activities.⁷ CenterPoint Houston has retrofitted several substations with an elevated substation design to account for storm surge or other flooding. New coastal substations are designed and constructed so that control cubicles are elevated above the potential storm surge for a Category 5 storm, while inland substations are designed to elevations that consider flood plain maps. Generally, CenterPoint Houston continues to modernize its practices and infrastructure based on new technologies and data analytics.⁸

B. Clean Energy Enablement/Generation Interconnection

In this proceeding, CenterPoint Houston provided a heightened focus on clean energy enablement in light of increases in interconnection requests from intermittent renewable resources and the need to account for certain issues with integrating these resources.⁹ In particular, the number of interconnections and the timeframe for interconnection differs for inverter-based resources compared to dispatchable generation. Since 2019, CenterPoint Houston has completed transmission interconnection facilities to connect 25 new generating plants and 18 of those projects comprise wind, solar, or energy storage. The 25 new generating plants represent approximately 6,435 MW of planned capacity.¹⁰ The passage of the Infrastructure Investment and Jobs Act¹¹ accelerated the number of projects seeking interconnection, which prompted CenterPoint Houston to refocus its approaches to new interconnections.¹²

C. Transmission Function Charge

CenterPoint Houston is not proposing a transmission function charge in this proceeding since retail transmission costs are recovered through the TCRF and not through base rates.¹³ Additionally, and consistent with 16 Texas Administrative Code (TAC) § 25.193 and Rider TCRF,

⁷ *Id.* at 355–357, Direct Testimony of David Mercado at 46–48.

⁸ *Id.* at 357.

⁹ *Id.* at 281–282, Direct Testimony of Eric Easton at 42–43.

¹⁰ *Id.* at 357–360, Direct Testimony of David Mercado at 48–51.

¹¹ Pub. L. No. 117-58, 135 Stat. 429 (2021).

¹² Application at 62–63, Direct Testimony of Lynnae Wilson at 17–18.

¹³ *Id.* at 2481–2482, Direct Testimony of John R. Durland at 34–35.

CenterPoint Houston will be required to update the TCRF to reflect any changes in wholesale transmission rates separately from this proceeding.¹⁴

D. Inflation Reduction Act Rider

CenterPoint Houston requests approval of a tax rider to ensure that the impacts of the Inflation Reduction Act of 2022 (IRA)¹⁵ are captured on an annual basis.¹⁶ The IRA imposes a new corporate alternative minimum tax and CenterPoint Houston expects that CenterPoint Energy, Inc. will be subject to the 15% minimum tax payment in 2024.¹⁷ CenterPoint Houston stated its approach of tracking federal income tax law changes and the impact on rates mirrors the treatment required by the Commission to track impacts from the Tax Cuts and Jobs Act of 2017.¹⁸

E. Tariff and Rate Schedule Changes

CenterPoint Houston seeks approval of various tariff and rate schedule changes, including: updating the Nuclear Decommissioning Rider based on the Commission's final order in Docket No. 55303;¹⁹ updating the TCRF rider; removing the system restoration charge from the Tariff for Retail Delivery Service; removing the Accumulated Deferred Federal Income Tax Credit rider; and removing the Transmission Charge in the Tariff for Retail Delivery Service.²⁰ CenterPoint Houston is also proposing to update the charges for Discretionary Services consistent with the methodology approved in Docket No. 49421.²¹ CenterPoint also proposes to revise the Tariff for Retail Delivery Service to incorporate applicable terms of service in relevant rate schedules and to reorganize certain provisions into a more logical structure.²² Finally, CenterPoint Houston

¹⁴ *Id.* at 2482.

¹⁵ Pub. L. No. 117-169, 136 Stat. 1818 (2022).

¹⁶ *Id.* at 28.

¹⁷ *Id.* at 70; Direct Testimony of Lynnae Wilson at 24.

¹⁸ *Id.* at 28; Pub. L. No. 115-97, 131 Stat. 2054 (2017).

¹⁹ *Application of Constellation South Texas LLC for Review of the Cost of Decommissioning Units 1 and 2 of the South Texas Project*, Order (Mar. 21, 2024).

²⁰ *Id.* at 74–75; Direct Testimony of Lynnae Wilson at 28–29.

²¹ *Id.* at 75; *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 49421, Order (Mar. 9, 2020).

²² *Id.* at 75.

proposes to update the Wholesale Transmission Service tariff to reflect its current cost to provide service.²³

F. Rate-case Expenses

CenterPoint Houston requests recovery of reasonable rate-case expenses incurred in this proceeding and Docket Nos. 53442, 54825, and 54830, for which rate-case expenses have not been recovered.²⁴ In its application CenterPoint Houston indicated it was requesting recovery of \$7,246,609 in rate-case expenses.²⁵ This amount includes an estimate of rate-case expenses for this proceeding.²⁶ Additional review of expenses will be necessary as this case progresses to determine the actual amount of rate-case expenses ultimately proposed for recovery.²⁷

III. Procedural History

CenterPoint Houston filed its application on March 6, 2024. On March 7, 2024, the Commission referred this docket to the State Office of Administrative Hearings (SOAH). Gulf Coast Coalition of Cities; International Brotherhood of Electric Workers Local 66; Texas Industrial Energy Consumers; Houston Coalition of Cities; the Office of Public Utility Counsel; Walmart; the Environmental Defense Fund Inc.; Texas Coast Utilities Coalition; and the Texas Consumer Association filed timely motions to intervene.

In the order of referral, CenterPoint Houston was directed, and Commission Staff and other interested persons were allowed to file, by May 21, 2024, a list of issues to be addressed in the docket and also identify any issues not to be addressed and any threshold legal or policy issues that should be addressed. Gulf Coast Coalition of Cities, CenterPoint Houston, Houston Coalition of Cities, Commission Staff, the Environmental Defense Fund, and the Texas Consumer Association timely filed a list of issues.

²³ *Id.* at 75.

²⁴ *Id.* at 3067–3069, Direct Testimony of Myles F. Reynolds at 36–38.

²⁵ *Id.* at 3446, Schedule II-E-4.5.

²⁶ *Id.* at 3068.

²⁷ *Id.*

IV. Issues to be Addressed

The Commission must provide to the administrative law judge (ALJ) a list of issues or areas to be addressed in any proceeding referred to SOAH.²⁸ After reviewing the pleadings submitted by the parties, the Commission identifies the following issues that must be addressed in this docket:

1. Did CenterPoint Houston comply with the form and instructions for the Commission's rate-filing package?
2. Is CenterPoint Houston's application administratively complete?
3. Did CenterPoint Houston provide notice that was adequate and consistent with the requirements of PURA §§ 36.102 and 36.103?
4. What revenue requirement will give 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?
5. What is CenterPoint Houston's reasonable and necessary cost of providing service calculated in accordance with PURA and Commission rules?
6. What adjustments, if any, should be made to CenterPoint Houston's proposed test-year?

Invested Capital – Rate Base and Return

7. What is the appropriate debt-to-equity capital structure for CenterPoint Houston?
 - a. What is the appropriate overall rate of return, return on equity, and cost of debt for CenterPoint Houston?
 - b. When answering this issue, please address how the factors specified in PURA § 36.052 and 16 TAC § 25.231(c)(1) should affect CenterPoint Houston's rate of return.
8. Are any protections, including financial protections, appropriate to protect CenterPoint Houston's financial integrity and ability to provide reliable service at just and reasonable rates?
9. What are the reasonable and necessary components of CenterPoint Houston's rate base?

²⁸ Tex. Gov't Code § 2003.049(e).

10. What is the original cost of CenterPoint Houston's property used and useful in providing service to the public at the time the property was dedicated to public use?
11. What is the amount, if any, of accumulated depreciation on that property?
12. Does CenterPoint Houston's requested invested capital or revenue requirement include any amounts no longer used and useful in the provision of electric service?
13. What is CenterPoint Houston's transmission cost of service determined in accordance with PURA and Commission rules?
14. What amount, if any, of CenterPoint Houston's invested capital has not previously been subject to a prudence review by the Commission? If there are any such amounts, what are the amounts; for what facilities, property, or equipment were the investments made; and were the amounts prudently incurred? What amount, if any, of allowance for funds used during construction (AFUDC) is being transferred to invested capital in this proceeding? If AFUDC is being transferred, for what facilities, and at what rate, was the AFUDC accrued?
15. What amount, if any, of distribution investments included in an application for a distribution cost recovery factor or distribution cost recovery factor adjustment approved by the Commission after CenterPoint Houston's last base-rate proceeding complies with PURA, including §36.053 and §36.058, and is prudent, reasonable, and necessary? 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. Did any of CenterPoint Houston's invested capital arise from payments made to an affiliate? If so, for each item or class of items, does the payment conform to the requirements in PURA § 36.058?
17. Is CenterPoint Houston seeking the inclusion of construction work in progress? If so,
 - a. What is the amount sought, and for what facilities; and
 - b. Has CenterPoint Houston proven that the inclusion is necessary to its financial integrity and that major projects under construction have been efficiently and prudently planned and managed; or

- c. For transmission investment required by the Commission under PURA § 39.203(c), do conditions warrant the inclusion of construction work in progress for such transmission investment?
18. What is the reasonable and necessary cash working capital allowance for CenterPoint Houston, calculated in accordance with Commission rules?
- a. Does CenterPoint Houston's lead-lag study for its proposed allowance for cash working capital comply with Commission rules?
 - b. If not, should cash working capital be set at negative one-eighth of operations and maintenance expenses?
19. What is the reasonable and necessary amount, if any, of CenterPoint Houston's accumulated reserve for deferred federal income taxes, excess deferred federal income taxes, unamortized investment tax credits, contingency reserves, property insurance reserves, contribution in aid of construction, customer deposits, and other sources of cost-free capital? What other items, if any, should be deducted from CenterPoint Houston's rate base?
20. What regulatory assets are appropriately included in CenterPoint Houston's rate base? If included, what is the appropriate treatment of such regulatory assets?
21. What regulatory liabilities, if any, are appropriately included in CenterPoint Houston's rate base? If included, what is the appropriate treatment of such regulatory liabilities?
22. What post-test-year adjustments for known and measurable rate-base changes to CenterPoint Houston's historical test year data, if any, should be made? Do any such adjustments comply with the requirements of 16 TAC § 25.231(c)(2)(F)?
- a. Does each addition equal at least 10% of CenterPoint Houston's requested rate base, exclusive of post-test-year adjustments and construction work in progress?
 - b. Will each plant addition be in service before the rate year begins?
 - c. Have all the attendant impacts on all aspects of CenterPoint Houston's operations (including but not limited to revenue, expenses, and invested capital) been identified, quantified, and matched?

- d. For any post-test-year adjustments, what future filings, if any, should CenterPoint Houston be required to make to verify that the plant was placed in service before the rate year began?

Expenses

23. What are CenterPoint Houston's reasonable and necessary operations and maintenance expenses?
24. What are CenterPoint Houston's reasonable and necessary administrative and general expenses?
25. What are CenterPoint Houston's reasonable and necessary rate-case expenses in accordance with PURA § 36.061(b)(2) and 16 TAC § 25.245? Does this amount include any anticipated expenses to appeal this proceeding or a prior rate-case proceeding? Is it appropriate to recover expenses associated with appeals of prior Commission orders before the appeals are completed?
 - a. If attorney's fees are included in the rate-case expenses, are they supported by the testimony or affidavit of a licensed attorney qualified to render admissible opinions on the reasonableness of the attorney's fees?
26. What are the intervening cities' reasonable rate-case expenses, in accordance with PURA § 33.023(b) and 16 TAC § 25.245? Does this amount include any anticipated expenses to appeal this proceeding or a prior rate-case proceeding?
27. What is CenterPoint's reasonable and necessary depreciation expense? For each class of property, what are the proper and adequate rates and methods for depreciation, including service lives and salvage value?
28. What is the reasonable and necessary amount for assessments and taxes, other than federal income taxes, for CenterPoint Houston?
29. What is the reasonable and necessary amount for municipal franchise fees? What is the appropriate amount to be included in CenterPoint's base rates?
30. What is the reasonable and necessary amount of CenterPoint Houston's federal income tax expense?

31. Is CenterPoint Houston's proposed treatment of federal income taxes consistent with PURA, the Commission's substantive rules, the Commission's amended order in Docket No. 47945,²⁹ and the Commission's final order in CenterPoint Houston's most recent base-rate case, Docket No. 49421?³⁰
- a. Has CenterPoint Houston appropriately addressed the impact of the Inflation Reduction Act of 2022 on its rates?
32. Will CenterPoint Houston realize any tax savings derived from liberalized depreciation and amortization, investment tax credits, or similar methods? If so, are they apportioned equitably between consumers and CenterPoint Houston, and are the interests of present and future customers equitable balanced as required by PURA § 36.059?
33. What is the reasonable and necessary amount for CenterPoint Houston's advertising expense, contributions, and donations?
34. What is CenterPoint Houston's reasonable and necessary amount for nuclear decommissioning expenses, if any, calculated in accordance with Commission rules?
35. Does CenterPoint Houston currently have a self-insurance plan approved by the Commission? If so, please address the following issues.
- a. What is the approved target amount for the reserve account? Is it appropriate to change that amount?
- b. What is the amount, if any, of any shortage or surplus for the reserve account? What actions, if any, should be taken to return the reserve account to the approved target amount?
36. Is CenterPoint Houston seeking approval of a self-insurance plan or changes to an existing plan? If so, please address the following issues.
- a. Is the coverage provided by the plan in the public interest?

²⁹ *Proceeding to Investigate and Address the Effects of Tax Cuts and Jobs Act of 2017 on the Rates of Texas Investor-Owned Utility Companies*, Project No. 47945, Amended Order Related to Changes in Federal Income Tax Rates (Feb. 15, 2018).

³⁰ *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 49421, Order.

- b. What property and liability losses will CenterPoint Houston charge to the reserve account? Are there losses that cannot be reasonably anticipated and included in operating and maintenance expenses?
 - c. What is the reasonable and necessary target amount for CenterPoint Houston's self-insurance reserve account?
 - d. What is the reasonable and necessary amount of annual accruals to properly fund the self-insurance reserve account?
 - e. Should CenterPoint Houston's annual accruals for the reserve account meet or exceed the target amount, how will CenterPoint Houston treat the excess balance of the reserve account?
 - f. How will CenterPoint Houston allocate the cost of the annual accruals to its retail rate classes?
 - g. Has CenterPoint Houston filed a cost-benefit analysis performed by a qualified independent insurance consultant? If so, please address the following issues.
 - i. Does the cost-benefit analysis present a detailed analysis of the appropriate limits of self-insurance, an analysis of the appropriate annual accruals to build a reserve account for self-insurance, and the level at which further accruals should be decreased or terminated?
 - ii. Does the cost-benefit analysis demonstrate that, in consideration of all costs, self-insurance is a lower-cost alternative than commercial insurance?
 - iii. Does the cost-benefit analysis demonstrate that CenterPoint Houston's ratepayers will receive the benefits of the self-insurance plan?
37. What are CenterPoint Houston's reasonable and necessary expenses for pension and other post-retirement benefits, if any, calculated in accordance with PURA § 36.065 and 16 TAC § 25.231(b)(1)(H)? What is the reasonable baseline level of pension and other post-employment benefits for purposes of the expense tracker PURA § 36.065?
- a. Has CenterPoint Houston established under PURA § 36.065(b) any reserve accounts for pension and other post-employment benefits?

- b. If so, has CenterPoint Houston recorded the proper amounts in each reserve account?
 - c. Are the amounts recorded in each reserve account reasonable expenses in accordance with PURA § 36.065(d)(1)?
 - d. Does any reserve account have a surplus or shortage under PURA § 36.065(c)? If so, how should CenterPoint Houston's rate base be modified to amortize, over a reasonable time, any surplus or shortage in each affected reserve account under PURA § 36.065(d)(3)?
38. Has CenterPoint Houston made any payments for expenses to affiliates? If so, for each item or class of items,
- a. Are costs appropriately assigned to CenterPoint Houston and its affiliates, and
 - b. Has CenterPoint Houston met the standard of recovery of affiliate costs under PURA § 36.058 and Commission rules?
39. Does CenterPoint Houston have any competitive affiliates, as defined in 16 TAC § 25.272(c)(2)? If so, has CenterPoint Houston conducted any transactions with its competitive affiliates? If so, what are these transactions, have all transactions with any competitive affiliates been conducted at arm's length, and has CenterPoint Houston met all the requirements of 16 TAC § 25.272 regarding such transactions? If not, what amount of expenses should be disallowed?
40. Are any of CenterPoint Houston's expenditures unreasonable, unnecessary, or not in the public interest, including, but not limited to, executive salaries, advertising expenses, legal expenses, penalties and interest on overdue taxes, criminal penalties or fines, and civil penalties or fines?
- a. Are CenterPoint's proposed employee compensation and benefits expenses consistent with market compensation studies issued not earlier than three years before the initiation of this proceeding in accordance with PURA § 36.067(b)?
41. What post-test-year adjustments for known and measurable changes to historical test-year data for expenses, if any, should be made? For any such adjustments, have all the attendant impacts on all aspects of CenterPoint Houston's operations (including, but not limited to, revenue, expenses, and invested capital) been identified with reasonable certainty, quantified, and matched?

42. What are the appropriate amounts, if any, for transmission expenses and revenues under FERC-approved tariffs to be recovered?

Deferred Costs

43. Is CenterPoint Houston seeking to include in rates any costs previously deferred by an order of the Commission? If so, in what docket did the Commission approve deferral of the costs? Is inclusion of such deferred costs in rates necessary to carry out a provision of PURA§ What is the appropriate standard by which to make this determination, and is the proposed assignment and allocation of that recovery appropriate?
44. Is CenterPoint Houston seeking to defer any costs, including any rate-case expenses, in this proceeding for recovery in a future proceeding? If so, what is the amount of such costs, and why were those costs incurred (or why will they be incurred)? Is deferral of those costs necessary to carry out a provision of PURA§ If not, why is it necessary to defer these costs? What are the appropriate standards by which to make these determinations?

Rate Design and Tariffs

45. What are CenterPoint Houston's just and reasonable rates calculated in accordance with PURA and Commission rules? Do the rates comply with the requirements in PURA § 36.003?
46. What are the appropriate rate classes for which rates should be determined? Is CenterPoint Houston proposing any new rate classes? If so, why are these new rate classes needed?
47. What are the appropriate billing and usage data for CenterPoint Houston's test year?
- a. What known and measurable changes, if any, should be used to adjust the test-year data?
 - b. What changes, if any, are necessary to reflect abnormal weather conditions or other aberrant conditions?
48. What are the appropriate allocations of CenterPoint Houston's revenue requirement to functions and rate classes?
- a. Does CenterPoint Houston have any customer-specific contracts for the provision of transmission or distribution service? If so, identify each customer and state whether the contract has been presented to the Commission for approval, and if so, in what docket. In addition, has CenterPoint Houston appropriately allocated revenues and related costs

- associated with such contracts? Do all allocation factors properly reflect the types of costs allocated?
- b. What are the appropriate allocations of CenterPoint Houston's transmission investment, expenses, and revenues, including transmission expenses and revenues under FERC-approved tariffs, among jurisdictions?
 - c. Does CenterPoint Houston have any FERC-approved tariffs? If so, identify each tariff and the FERC docket in which the tariff was approved. What are the appropriate allocations of CenterPoint Houston's transmission investment, expenses, and revenues, including transmission expenses and revenues under those tariffs? Has CenterPoint Houston made appropriate allocations for imports to and exports from the Electric Reliability Council of Texas (ERCOT) region?
49. What is the appropriate amount of CenterPoint Houston municipal franchise fees to include in base rates?
50. Does CenterPoint Houston provide wholesale transmission service at distribution voltage to any customers? If so, has CenterPoint Houston properly allocated costs to and designed rates for those customers as required under PURA § 35.004(c)?
51. Are all rate classes at unity? If not, what is the magnitude of the division, and what, if anything, should be done to address the lack of unity?
52. Has CenterPoint Houston proposed any rate riders? If so, should any of the proposed riders be adopted? If so, what are the appropriate costs to be recovered through the riders, and what are the appropriate terms and conditions of the riders?
- a. Should the Commission approve CenterPoint Houston's proposed Rider IRA to ensure that the impacts of the Inflation Reduction Act of 2022 are captured on an annual basis?
 - b. Should the Commission approve updating CenterPoint Houston's Nuclear Decommissioning Rider based on the final order in Docket No. 55303?
 - c. Should the Commission approve removing the system restoration charge from CenterPoint Houston's Tariff for Retail Delivery Service?

- d. Should the Commission approve removing the Accumulated Deferred Federal Income Tax Credit rider?
 - e. Should the Commission approve removing the Transmission Charge in the Tariff for Retail Delivery Service?
53. Does CenterPoint Houston have any existing rate riders that should be modified or terminated? What regulatory assets or other items are currently being recovered through rate riders?
54. What tariff revisions, if any, are appropriate as a result of this proceeding?
55. Are CenterPoint Houston's proposed changes to its rules and rate tariffs reasonable?

Baselines for Cost-recovery Factors

56. What baseline amounts should be determined in this proceeding for future CenterPoint TCRF, distribution cost recovery factor, or interim transmission cost of service filings? If so, what are the investment and expense components and amounts?

Other Issues

57. Has CenterPoint Houston complied with the Commission's final order in Docket No. 49421?
58. For any costs that are disallowed by the Commission and that may have been included in an interim transmission cost of service rate, a distribution cost recovery factor, or another cost recovery rider, should a compliance proceeding be initiated to determine the magnitude, mechanism, and rates for any associated refund to ratepayers?
59. Should CenterPoint Houston be required to update the class allocation factor values associated with the TCRF rider on an annual basis?
60. Are CenterPoint Houston's programs and procedures associated with economic development and electric load growth reasonable and necessary?
61. Has CenterPoint Houston requested any exceptions to any requirements in any Commission rules? If so, what are those rule requirements, and has CenterPoint Houston demonstrated good cause for the exception? Should the Commission grant the exception?
62. Should the Commission approve CenterPoint Houston's requests for waivers of requirements, if any, in the Commission's rate-filing package?

This list of issues is not intended to be exhaustive. The parties and the ALJ are free to raise and address any issues relevant in this docket that they deem necessary, subject to any limitations imposed by the ALJ, or by the Commission in future orders issued in this docket. The Commission may identify and provide to the ALJ in the future any additional issues or areas that must be addressed, as permitted under Texas Government Code § 2003.049(e).

V. Effect of Preliminary Order

This Order is preliminary in nature and is entered without prejudice to any party expressing views contrary to this Order before the SOAH ALJ at hearing. The SOAH ALJ, upon his or her own motion or upon the motion of any party, may deviate from this Order when circumstances dictate that it is reasonable to do so. Any ruling by the SOAH ALJ that deviates from this Order may be appealed to the Commission. The Commission will not address whether this Order should be modified except upon its own motion or the appeal of a SOAH ALJ's order. Furthermore, this Order is not subject to motions for rehearing or reconsideration.

Signed at Austin, Texas the _____ day of _____ 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

THOMAS J. GLEESON, CHAIRMAN

LORI COBOS, COMMISSIONER

JIMMY GLOTFELTY, COMMISSIONER

KATHLEEN JACKSON, COMMISSIONER