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PUBLIC UTILITY COMMISSION

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APPLICATION OF CENTERPOINT §
ENERGY HOUSTON ELECTRIC LLC, §
RELIANT ENERGY RETAIL SERVICES, §
LLC AND TEXAS GENCO LP, TO §
DETERMINE STRANDED COSTS AND §
OTHER TRUE-UP BALANCES §
PURSUANT TO PURA § 39.262 §

PUBLIC UTILITY COMMISSION

OF TEXAS

**CITY OF HOUSTON AND COALITION OF CITIES' EIGHTEENTH
REQUEST FOR INFORMATION TO CENTERPOINT ENERGY HOUSTON
ELECTRIC, LLC, RELIANT ENERGY RETAIL SERVICES, LLC,
AND TEXAS GENCO, LP**

Pursuant to Sections 22.141-145 of the Procedural Rules of the Public Utility Commission of Texas, Intervenors, the City of Houston and Coalition of Cities, request that CenterPoint Energy Houston Electric LLC ("CPE"), Reliant Energy Retail Services LLC (RERS), and Texas Genco LP (Genco), by and through their attorney of record, provide the following information within the time limit provided by the Presiding Officer or within twenty (20) days of receipt thereof, if the Presiding Officer has not provided a time limit. It is further requested that the answers to the request for information be made under oath, and that each item of information be made available as it is completed, rather than upon compilation of all information requested. Each answer should identify the person responsible for preparing that answer (other than the purely clerical aspects of its preparation) and the name of the witness in this proceeding who will sponsor the answer and who can vouch for its accuracy. These requests are continuing in nature, and should there be a change in circumstances which would modify or change an answer supplied by you, such changed answer should be submitted immediately as a supplement to your original answer.

DEFINITIONS AND EXPLANATORY NOTES

1. When the request calls for the identification of a “person or witness,” the identification shall include a full name, business address and business telephone number. The identification should also include a job title and name of employer.
2. The terms “document” and “documents” are used in their broadest sense and shall mean and include all written, printed, typed, recorded, or graphic matter of every kind and description, including drafts, originals and copies, and all attachments and appendices thereto. Without limiting the foregoing, the terms “document” and “documents” shall include all agreements, contracts, communications, correspondence, letters, telegrams, telexes, messages, memoranda, records, reports, books, summaries, tape recordings or other records of telephone conversations or interviews, summaries or other records of personal conversations, minutes or summaries or other records of meetings and conferences, summaries or other records of negotiations, other summaries, diaries, diary entries, calendars, appointment books, time record, instructions, work assignments, forecasts, statistical data, statistical statements, financial statements, work sheets, work papers, drafts, graphs, maps, charts, tables, accounts, analytical records, consultants’ reports, appraisals, bulletins, brochures, pamphlets, circulars, trade letters, press releases, notes, notices, marginal notations, notebooks, telephone records, bills, statements, records of obligation and expenditure, invoices, lists, journals, advertising, recommendations, printouts, compilations, tabulations, analysis, studies, surveys, transcripts of hearings, transcripts of testimony, affidavits, expense reports, microfilm, microfiche, articles, speeches, tape or disk recordings, sound recordings, video recordings, film, tape, photographs, punch cards, programs, data compilation from which information can be obtained, and other printed, written, handwritten, type-written, recorded, stenographic, computer-generated, computer-stored, or electronically-stored matter, however, and by whomever produced, prepared, reproduced, disseminated, or made. The terms “non-privileged document” and “non-privileged documents” also include all copies of documents by whatever means made, except that where a document is identified or produced, identical copies thereof which do not contain any markings, additions, or deletions different from the original need not be separately produced.
3. If any of the information requests is available in machine-readable form (such as paper or magnetic tapes, drums, disks or other storage), state the form in which it is available and describe the type of computer or other machinery required to read the information.
4. When a request calls for the identification of a “document,” the identification should include the following:
 - a. the full name and address of the author(s) by whom the document was written, prepared, recorded or made;
 - b. the date of the document;
 - c. the title and/or “re” of the document;
 - d. the subject matter of the document;

- e. the full name and address of the recipient and every person who received copies of the document;
 - f. the full name and address of the person who has possession, custody or control of the document, or who is in charge of maintaining the document; and
 - g. if the document has been lost, shredded or destroyed (whether intentionally or unintentionally) an explanation of the reasons for and causes of such loss, shredding or destruction.
- 5. The term “studies” includes any document, as defined herein, which reflects or was utilized in the collection, evaluation, analysis, summarization or characterization of information in connection with the subjects referred to in this proceeding.
 - 6. The term “CenterPoint” or “CenterPoint Energy Houston Electric LLC” includes CenterPoint Energy Houston Electric LLC and all of its agents, employees, parent companies, subsidiaries, affiliates, predecessors, successors, or assigns.
 - 7. The term “Texas Genco” or “Texas Genco LP” includes Texas Genco LP and all of its agents, employees, parent companies, subsidiaries, affiliates, predecessors, successors, or assigns.
 - 8. The term “Reliant” or “Reliant Energy Retail Services LLC” includes Reliant Energy Retail Services LLC and all of its agents, employees, parent companies, subsidiaries, affiliates, predecessors, successors or assigns.

Respectfully submitted,

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By: Tammy Wavle Shea
Tammy Wavle Shea *by permission Theresa Quiroz*
**ATTORNEYS FOR CITY OF HOUSTON
AND COALITION OF CITIES**

CERTIFICATE OF SERVICE

I hereby certify that on this the 30th day of April, 2004, a true and correct copy of the foregoing document was served upon on all parties of record by facsimile and/or First-Class, United States mail, postage paid.

Tammy Wavle Shea
Tammy Wavle Shea *by permission Theresa Quiroz*

**CITY OF HOUSTON AND COALITION OF CITIES' EIGHTEENTH
REQUEST FOR INFORMATION TO CENTERPOINT ENERGY HOUSTON
ELECTRIC, LLC, RELIANT ENERGY RETAIL SERVICES, LLC,
AND TEXAS GENCO, LP**

- COH 18-1. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 16. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, analysis, and studies regarding:
- a. Mr. Manny Munoz margin projections and sensitivities around those projections, and;
 - b. Mr. David Tees' overview of Genco's strategic and financial plan.
- COH 18-2. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 19. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, analysis, and studies regarding the Texas Genco Financial model. Please provide an electronic copy of this model.
- COH 18-3. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 21. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, analysis, and studies regarding Salomon's "extensive request". Please provide this "extensive request".
- COH 18-4. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 27. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, analysis, and studies regarding the draft appraisal of Texas Genco assets. Please provide the draft appraisal, later drafts, and final draft. Please provide the same for any of its purchase power contracts including its above market purchase power contracts.
- COH 18-5. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 27. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, analysis, and studies regarding the "assumptions used".
- COH 18-6. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 39 regarding the financial model presentation to the Executive Committee.
- a. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, analysis, and studies regarding the financial model presentation to the Executive Committee.
 - b. Please provide a copy of the presentation and copies of all drafts to the presentation.
 - c. Please provide any notes taken by those in attendance to the April 9 scheduled meeting or any other rescheduled or follow up meetings for this same or similar purpose

- d. Please provide all emails, and all other correspondence from those who attended these meetings regarding any follow up, questions, etc., to the meeting.
- COH 18-7. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 43. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, analysis, and studies regarding the “negotiations with RRI to change dividend policy”. Please provide the names and titles of all employees for both companies that were involved in these negotiations.
- COH 18-8. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 47. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, analysis, and studies regarding the fact that “Salomon recommended that we do not include consultant’s reports”. Please provide the contemporaneous documentation why Salomon recommended this. Please provide the company’s contemporaneous response(s) and position(s) and any documentation, including but not limited to, work papers, emails, and correspondence regarding Salomon’s recommendation.
- COH 18-9. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 50. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, analysis, and studies on the Legislative/Regulatory Update regarding:
- a. Sylvester Turner update
 - b. Fuel case
- COH 18-10. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 90. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, analysis, and studies regarding any discussions between the company and any of the “Potential Strategic Buyers” listed on page 90 and/or any potential buyers.
- COH 18-11. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 108. Please provide the letter from RRI requesting due diligence information. Please provide copies of all the information provided to RRI as a result of this letter and any correspondence between the two companies or within the company regarding the letter.
- COH 18-12. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 147. Please explain separately for each of the three reasons listed below why TGN is likely to be considered more risky than its industry peers due to:
- a. “Business risk”
 - b. “Structural issues”
 - c. “Lack of transparent results”

- COH 18-13. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 147. Please provide all presentations, draft presentations, notes, work papers, emails, correspondence, models, analysis, studies and other documents regarding:
- a. "a 40% - 60% premium has been added to the implied cost of equity."
 - b. The cost of equity without the premium.
- COH 18-14. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 165. Please provide examples that CenterPoint may be aware of where any other generating companies has any of the nine covenants listed restricting these other generating companies' ability in the same or similar manner TGN was restricted.
- COH 18-15. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 178. Please provide a list of situations where David McClannahan would have had to recuse himself as mentioned under the heading of "Common Director". Did any such situations occur? If so, please provide all documentation relating to such.
- COH 18-16. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 186.
- a. Please provide the compensation CenterPoint received from Reliant Resources for each of the ten restrictions CenterPoint agreed to with Reliant Resources.
 - b. Please provide all of the contemporaneous work papers, models, notes, emails, correspondence, analysis, studies, etc., that discuss the value of the compensation that CenterPoint received from Reliant Resources for each of the restrictions.
- COH 18-17. Please refer to the Testimony Work Papers of Joseph McGoldrick, page 226.
- a. Please provide the number of stock options, if any, that the six individuals listed on page 170 of Mr. McGoldrick's Work Papers had before and/or at the time 20% of Reliant Resources was sold in its IPO on May 20, 2002. Please provide the same for September of 2002 when the remainder of the shares of Reliant Resources were distributed.
 - b. Please provide a monthly schedule of the stock options that any of these individuals in a. above exercised on any of their Reliant Resources options.
 - c. Please provide the details of any compensation for any of the individuals in a. above may had that could have been impacted by the value of Reliant Resources shares or its financial performance.
 - d. Please provide the same requested in a., b., and c., above for any other CenterPoint managers.
- COH 18-18. Please identify all instances where the above market purchase power contracts where disclosed to and/or discussed with any individuals or entities with the

investment community or for general public release. Please provide all work papers, correspondence, and notes of such disclosure or discussions.

COH 18-19. Please refer to the Attachment to the response to OPC1-22, page 33.

- a. Please provide the monthly value of the "Gas Price for the month" in \$/MMBtu for each month of the contract for the last 5 years.
- b. Please provide the equivalent total MMBtus that were used or assumed used and/or consumed for each month for the last 5 years.
- c. Please provide, by month, the total dollars attributable to the product of a. and b. above paid by the company to the seller for each month for the last 5 years.
- d. Please provide any usage projections and/or forecasts by CenterPoint and/or the seller (if company has) under this contract and/or by any other party (if company has), of the total monthly MMBtus that were to be used and/or assumed used and/or consumed each month for the last 5 years.
- e. Please provide all contemporaneous work papers on any reviews, analysis, studies, discussions, emails, correspondence, audits, and any reviews of this component of the contract price that were done over the last 5 years.
- f. Please provide copies of the page(s) of the invoices received from the seller of this contract that contain the "Gas price for the month" for the last 5 years.

COH 18-20. Please refer to the Confidential response to OPC1-22, page 40.

- a. Please provide the monthly value of the "Gas Price for the month" in \$/MMBtu for each month of the contract for the last 5 years.
- b. Please provide the equivalent total MMBtus that were used or assumed used and/or consumed each month for the last 5 years.
- c. Please provide, by month, the total dollars attributable to the product of a. and b. above paid by the company to the seller for each month for the last 5 years.
- d. Please provide any usage projections and/or forecasts by CenterPoint and/or the seller (if company has) under this contract and/or by any other party (if company has), of the total monthly MMBtus that were to be used and/or assumed used and/or consumed each month for the last 5 years.
- e. Please provide all contemporaneous work papers on any reviews, analysis, studies, discussions, emails, correspondence, audits, etc. of this component of the contract price that were done over the last 5 years.
- f. Please provide copies of the page(s) of the invoices received from the seller of this contract that contain the "Gas price for the month" for the last 5 years.

COH 18-21. Refer to page 20 of 29 of the direct testimony of James S. Brian line 13 through 14. Mr. Brian states, "The same is true now that the decision to implement excess mitigation credits has proven to have been erroneous." Please state the date and reference number of the final order from the Commission which concluded that the decision to implement excess mitigation credits was in error.