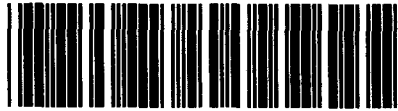




Control Number: 32093



Item Number: 274

Addendum StartPage: 0

**SOAH DOCKET NO. 473-06-2043  
PUC DOCKET NO. 32093**

<b>PETITION BY COMMISSION STAFF FOR A REVIEW OF THE RATES OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC PURSUANT TO PURA § 36.151</b>	§ § § § §	<b>BEFORE THE  STATE OFFICE OF  ADMINISTRATIVE HEARINGS</b>
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**Contact: Denise Hardcastle**

**(713) 207-5767**

**Fax: (713) 207-9840**

**May 30, 2006**

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Request No: OPC02-01

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

- a. Please explain why CEHE-funded energy efficiency programs do not also provide benefits or cost savings to CenterPoint Energy gas customers.
- b. Provide all studies, reports and documents which support your response.

**ANSWER:**

- a. CEHE- funded energy efficiency programs do provide concomitant savings to CenterPoint Energy gas customers. Measures installed by energy efficiency service providers such as ceiling insulation will obviously reduce electric air conditioning usage as well as gas usage during the heating season. However, neither PURA nor Commission substantive rules requires any analysis or consideration of gas impacts in the design or evaluation of energy efficiency programs. The Commission deems energy efficiency programs cost effective based solely on their electric system impact.
- b. No studies or reports have been performed which relate to gas customer benefits from CEHE-funded energy efficiency programs.

Sponsor: Alan Ahrens

Responsive Documents:  
None

Request No: OPC02-02

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

On page Bates 1826 of your testimony, you state that "your" community relations and business development activities do not include responsibilities for both CEHE and the gas affiliates, yet on page 1827, your note that both CEHE and gas customers benefit from community relations and business development. Please explain how CEHE recognizes and accounts for the benefits received by gas customers from community relations and business development activities.

**ANSWER:**

We recognize that any benefits from these activities is incidental through name recognition. There are no specific activities by either Community Relations or Economic Development that are done for Gas or other affiliates. However, because we recognize the incidental benefits, the company allocates 20% of the Community Relations' labor cost to the Gas affiliate. This amount equates to \$368,414.

Sponsor: Sharon Owens

Responsive Documents:

None

Request No: OPC02-03

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Please provide a detailed listing of all Community Relations expenses incurred for each of the activities below for which CEHE is requesting cost recovery in Docket 32093. Additionally, provide a detailed description of each activity listed.

- a.) Charitable contributions. Please list each organization and the contribution amount and identify whether the contributions was provided directly by CEHE, by the parent, or by both entities. If both CEHE and the parent provided contributions, please identify each amount separately.
- b.) review of reports and information from social service experts and demographers
- c.) Gatekeeper Program
- d.) Blood Drive Program
- e.) Corporate Volunteer Program
- f.) Community Outreach Program

**ANSWER:**

- a.) A summary of contributions and donations for which CenterPoint TDU is requesting cost recovery in Docket 32093 can be found in the workpapers to Schedule II-D-2.5 at Bates pages 5054-5065. These contributions were provided by CenterPoint TDU. Also, please see the direct testimony of Sharon Owens at Bates page 1829 for a description of how CenterPoint TDU handles charitable contributions.
- b.) There are no costs to CenterPoint Energy associated with utilizing the reports and information from social service experts and demographers. During the planning process for each upcoming year, Community Relations management and staff review Rice University's annual "Houston Area Survey" results. Dr. Stephen L. Klineberg, Ph.D., has been doing the research survey of area residents for more than 10 years and provides keen insights regarding community priorities. Our team also utilizes information provided by the United Way of the Texas Gulf Coast. Publications, such as United Way's Community Assessment, Survey Data and Plan of Action are valuable tools for CenterPoint Energy's Community Relations team to view how needs and priorities align. The state demographer, Steve H. Murdock, also provides statistics to help the Community Relations team anticipate how our customer base is changing and will continue to change over the next 5 to 10 years. A copy of referenced information is attached.

These independent points of information help CenterPoint Energy Houston formulate its Community Relations strategies to maximize the efficiency and effectiveness of the resources we bring to the Houston metropolitan community.

Note: The costs listed below do not include labor and miscellaneous support costs because Community Relations does not allocate these costs by program.

- c.) The total costs associated with the Gatekeeper Program amount to \$1,262. This cost includes \$432 for a contract person to work on updating the training video and an additional \$830 for Audio/Video production costs. Very little Community Relations staff time is allocated to the program because the department mainly plays a liaison role between other departments and United Way agencies. Traditionally a representative of the Credit Department has been the primary point of contact for the company's involvement in the Gatekeeper Program. Community Relations staff members have assisted in the training of company field service personnel, responding to public inquiries, maintaining communications with designated United Way agency personnel, promoting the program during public presentations, and serving on the Gatekeeper committee.
- d.) The total cost associated with the Blood Drive Program is \$40,994. Each company facility holds one blood drive per quarter. The Community Relations Department directs the blood drives, promoting the program and recruiting employee donors, honoring contributors and coordinating efforts with local blood centers to help ensure an adequate community blood supply. Externally, the department partners with the Gulf Coast Regional Blood Center and media affiliates to host at least two community blood drives throughout the year. Internally, Community Relations works with various departments within the company to produce promotional materials to communicate to all employees the vital need for blood in our community. The printed material includes posters, door hangers and paycheck stuffers. See Bates 1830-1831 of Sharon Owen's direct testimony for detailed description.
- e.) The total cost associated with the Corporate Volunteer Program is \$147,164. Project People Volunteer Program Coordinator duties include developing and implementing company-sponsored volunteer projects. This includes handling all of the project logistics and event preparation, publicizing the project to employees and their families, and recruiting and training volunteers and project leaders. The program recognizes and commends employees for their volunteerism through an annual awards ceremony and through the monthly volunteer newsletter, which is generated by the volunteer coordinator. Through the newsletter and other internal communications mechanisms, the department also promotes a variety of after-hours volunteer opportunities in Houston-Galveston area non-profit organizations and major community events. A time tracking system is maintained to report the status of employees' volunteer hours. In addition, the Volunteer Coordinator participates in volunteer leadership groups, sharing best practices to aid non-profits, and other corporations in their volunteer efforts.
- f.) The total cost associated with Community Outreach is \$210,275. In recognition of the multi-ethnic, multi-lingual nature of the greater Houston region, the Community Relations Department has engaged in a variety of projects and activities designed to assist special populations such as the Asian, African-American, Hispanic, youth, and elderly communities, as well as non-profit, community-based organizations. The department has sought to educate the public on company programs, health/safety/energy/management issues, and resources available to the public.

Sponsor: Sharon Owens

Responsive Documents:

Klineberg Study - 2005  
Gatekeeper Brochure

Blood Drive Expenses 2005  
Corporate Volunteer Program Expenses 2005  
Community Outreach Expenses 2005



## PUBLIC PERCEPTIONS IN REMARKABLE TIMES

Tracking Change Through  
24 Years of Houston Surveys  
(Some Highlights from the New Report)

*STEPHEN L. KLINEBERG*

9 November 2005



RICE

### THE HOUSTON AREA SURVEY (1982-2005)



- Supported by a consortium of foundations, corporations, and individuals, the HAS has conducted random-digit-dialed interviews, in English and Spanish, with 24 successive representative samples of Harris-County residents.
- No other city in America has been the focus of a long-term study of this scope. None more clearly exemplifies the nation's ongoing economic and demographic transformations.
- In 13 of the past 15 years, the surveys were expanded to reach at least 450 Anglos, 450 blacks, and 450 Hispanics.
- In 1995 and 2002, the research included multi-lingual interviews with large representative samples from Houston's Asian communities, the only such surveys in the country.



## OVERVIEW



- In May 1982, two months after the first survey in this series, Houston's oil boom suddenly collapsed.
- The region recovered from deep recession in the mid 1980s to find itself in the midst of:
  - A restructured economy, and
  - A demographic revolution.
- Using identical questions across the years, the surveys have tracked area residents' experiences and attitudes regarding many aspects of these remarkable trends.
- How the city ultimately responds to the challenges these transformations represent will be significant not only for the Houston future, but for the American future as well.

## THE RESTRUCTURED ECONOMY



- The "resource economy" of the Industrial Age has now receded into history, replaced by a fully global and increasingly high-tech "knowledge economy."
- The "blue collar path" to financial security has largely disappeared. The good-paying jobs today require high levels of technical skills and educational credentials.
- In the 2004 survey, 75% *disagreed* that "a high school education is enough to get a good job." In 2005, 64% *agreed* that "there are very few good jobs in today's economy for people without a college education."
- From now on, as the saying goes, "What you earn depends on what you've learned."

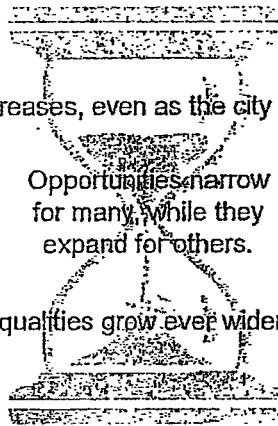
### **RESULT #1: AN "HOURLASS" ECONOMY**

In the new knowledge-based, two-tiered economy . . .

Poverty increases, even as the city grows richer.

Opportunities narrow  
for many, while they  
expand for others.

Income inequalities grow ever wider and deeper.



### **RESULT #2: THE NEW IMPORTANCE OF "QUALITY-OF-PLACE" CONSIDERATIONS**

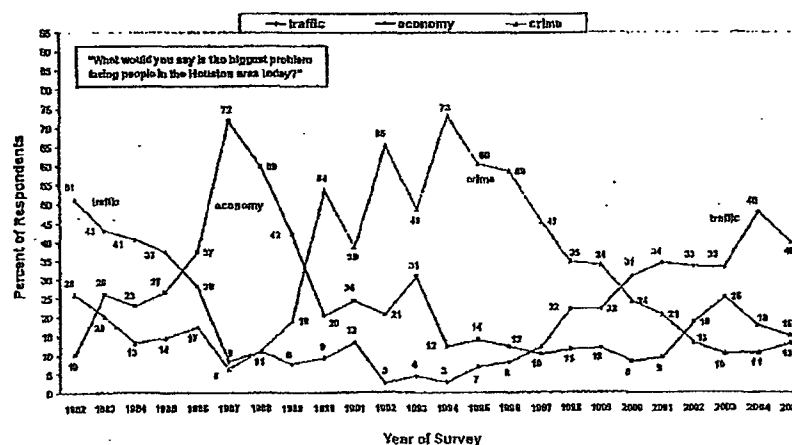
- The source of wealth today has less to do with control over natural resources and more to do with human resources.
- A city's well-being will increasingly depend upon its ability to nurture, attract, and retain the nation's most skilled and creative "knowledge workers" and high-tech companies.
- Talented individuals and leading corporations are freer today than ever before to choose where they would like to live.
- As a result, quality-of-life issues have now become significant determinants of urban prosperity in the new century.

## THE ENVIRONMENTAL CHALLENGE



- Houston's success in the new economy will be shaped, to an important degree, by the city's ability to develop into a more environmentally and aesthetically appealing urban destination.
- This means significant and sustained improvements in:
  - Mobility and traffic congestion
  - The revitalization and preservation of downtown areas
  - The venues for sports, art, and culture
  - The quality of the region's air and water
  - The abundance of its parks, trees, and bayous
  - The richness of its hiking, boating, and birding areas
- The surveys document continuing growth over the years in the public's support for new initiatives along these lines.

**FIGURE 1: THE BIGGEST PROBLEM IN THE HOUSTON AREA TODAY (1982-2005)**

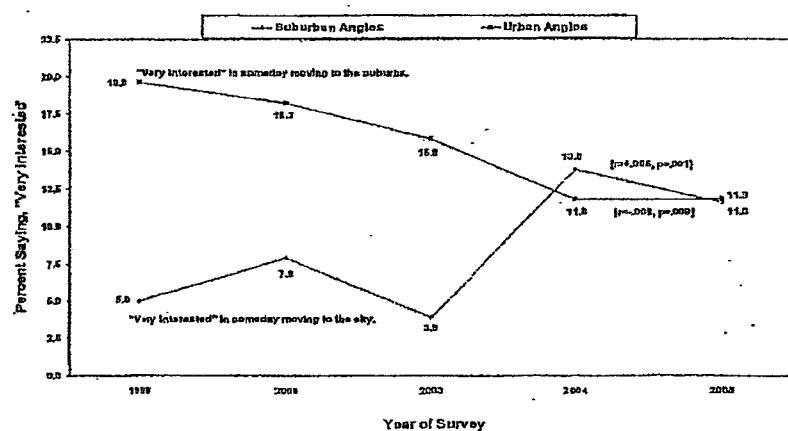


## CITY AND SUBURB IN A SPREADING METROPOLIS

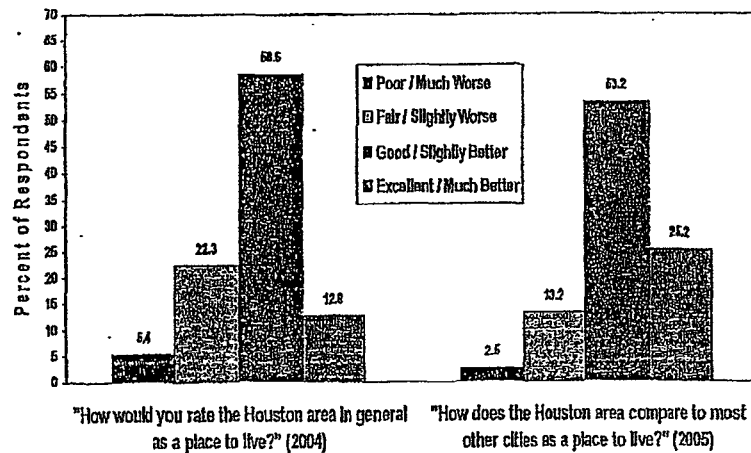


- Even as suburban sprawl continues, Houston's success in revitalizing its urban core has created a small but unmistakable countervailing movement.
- The surveys in 2004 and 2005 documented a surge of interest among suburbanites in someday moving to the city.
- Suburban Anglos who are interested in moving to the city differ significantly from those without such interest, not so much in the "push" of long commutes, but in the "pull" of:
  - the city's recreational amenities, and
  - comfort with the new ethnic diversity.

**FIGURE 2: PERCENT OF ANGLOS "VERY INTERESTED" IN MOVING FROM SUBURBS TO CITY AND FROM CITY TO SUBURBS (1999-2005)**



**FIGURE 3: RATINGS OF THE HOUSTON AREA IN GENERAL AS A PLACE TO LIVE (2004, 2005)**

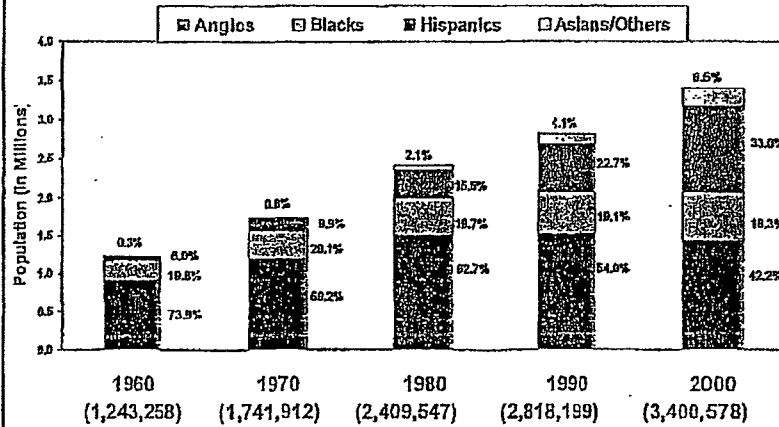


## THE DEMOGRAPHIC REVOLUTION



- Along with the major immigration capitals of L.A. and N.Y., closely following upon Miami, San Francisco, and Chicago, Houston is at the forefront of the new ethnicity that is re-fashioning the socio-political landscape of urban America.
- Throughout all of its history . . .
  - Houston was essentially a bi-racial Southern city,
  - Dominated and controlled, in a taken-for-granted way, by white men.
- Today . . .
  - This is one of the most culturally diverse metropolitan areas in the country.
  - All of Houston's ethnic communities are now "minorities."

**FIGURE 4: THE DEMOGRAPHIC TRANSFORMATIONS OF HARRIS COUNTY (1960-2000)**



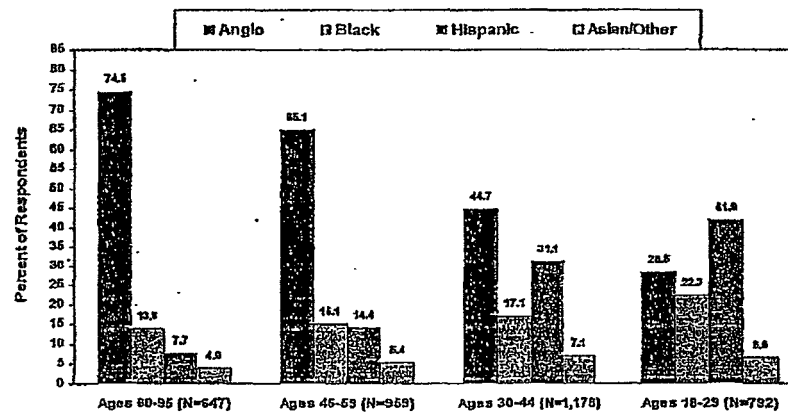
Source: U.S. Census ([www.census.gov](http://www.census.gov)); classifications based on Texas State Data Center conventions; total populations are given in parentheses.

## INTERACTIONS OF ETHNICITY AND AGE



- Two ongoing revolutions: The "aging" and the "colorizing," a.k.a. the "graying" and the "browning," of America.
- Today's seniors are primarily Anglos. So are the 76 million babies born between 1946 and 1964, now aged 41 to 59. In the next 30 years, the numbers aged 65+ will double.
- The younger populations who will replace them are disproportionately non-Anglo and considerably less privileged.
- The "aging of America" is thus as much a division along ethnic lines as it is along generational lines.
- Nowhere is this transformation more clearly seen than in the Houston area.

**FIGURE 5: THE PROPORTIONS IN FOUR AGE GROUPS WHO ARE ANGLO, BLACK, HISPANIC, AND ASIAN OR OTHER (2000-2005)**

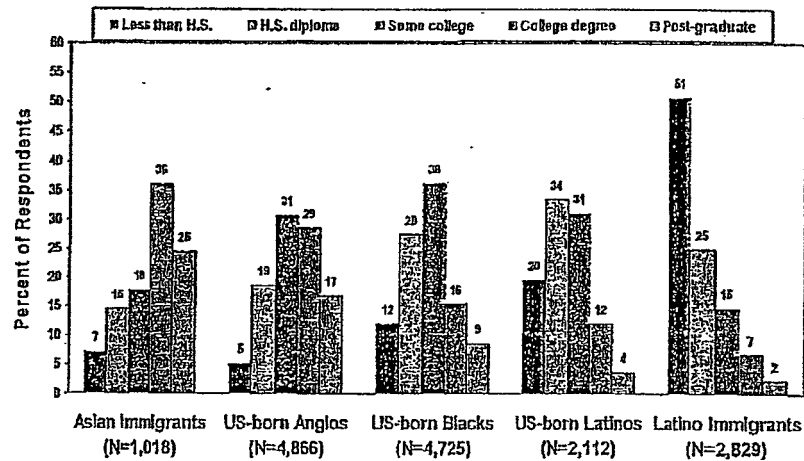


### A BIFURCATED IMMIGRATION STREAM COMING INTO A BIFURCATED ECONOMY



- Asians and Africans were banned from immigrating until 1965, so entry through family reunification was unavailable.
- The only other routes were by refugee status (Vietnamese), being "professionals of exceptional ability" (Indians, Chinese, Africans), or people with much needed skills (Filipino nurses).
- The new immigrants are relegated to the upper or the lower sections of the "hourglass," largely by virtue of the skills they acquired in their countries of origin before coming to America.
- Third-generation Latinos, despite their fuller "Americanization," have not advanced much in S.E.S. beyond the second generation. The opportunities for upward mobility today require levels of education that most are unable to reach on their own.

**FIGURE 6: EDUCATIONAL ATTAINMENT IN FIVE HOUSTON COMMUNITIES (1994-2005)**



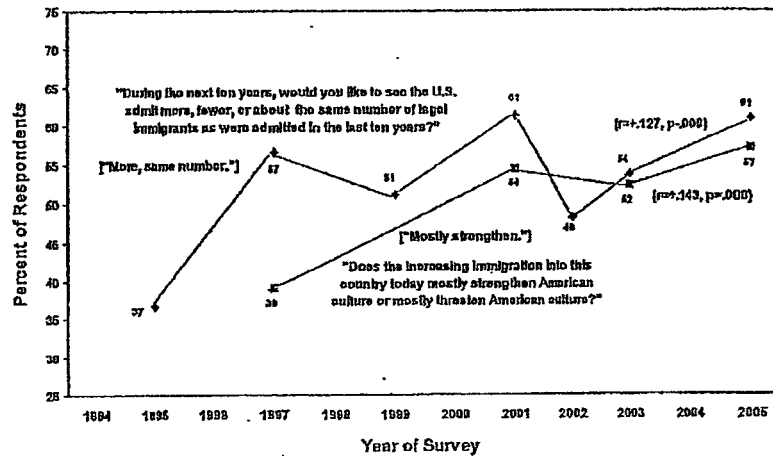
## ASSESSMENTS OF INTERGROUP RELATIONSHIPS



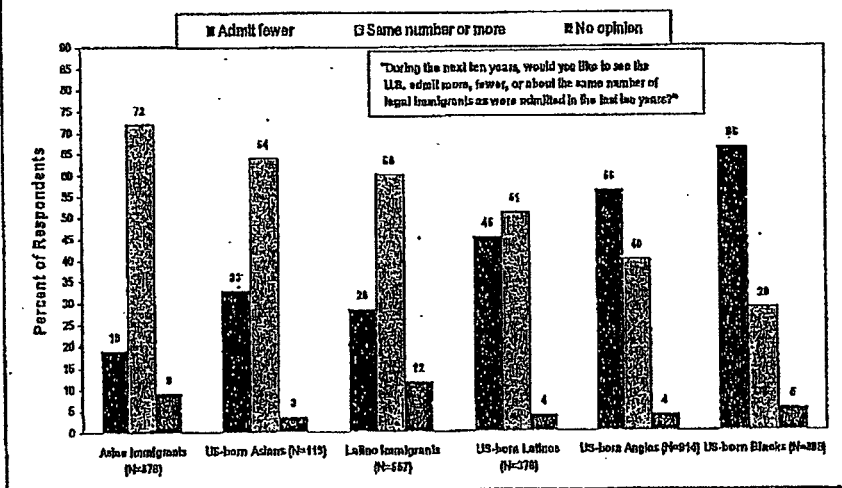
- The surveys document increasingly positive attitudes toward the new ethnic diversity across the board, while also pointing to important areas of tension and potential conflict.
- Area resident's growing comfort with diversity is evident in:
  - their increasingly positive evaluations of the new immigration and of ethnic relationships
  - their decreasing fear of crime
  - the triumph of the "tolerant traditionalists"
  - their growing acceptance of homosexuality as part of a natural human variation
  - the diminishing stigma they attach to mental illness



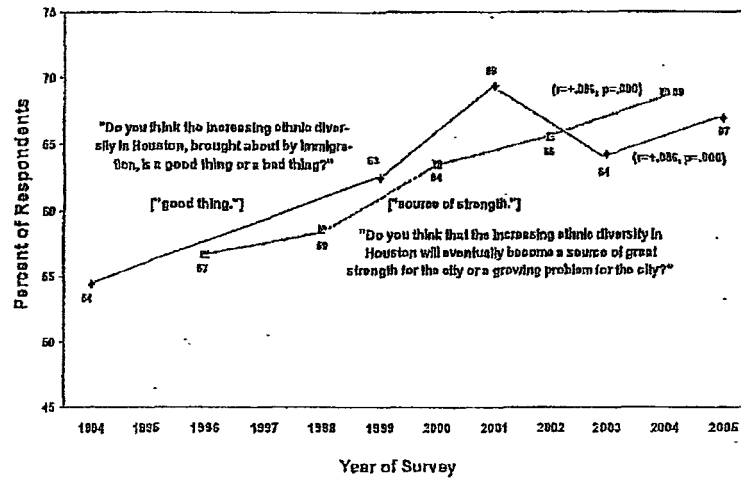
**FIGURE 7: ATTITUDES TOWARD THE NEW IMMIGRATION (1994-2005)**



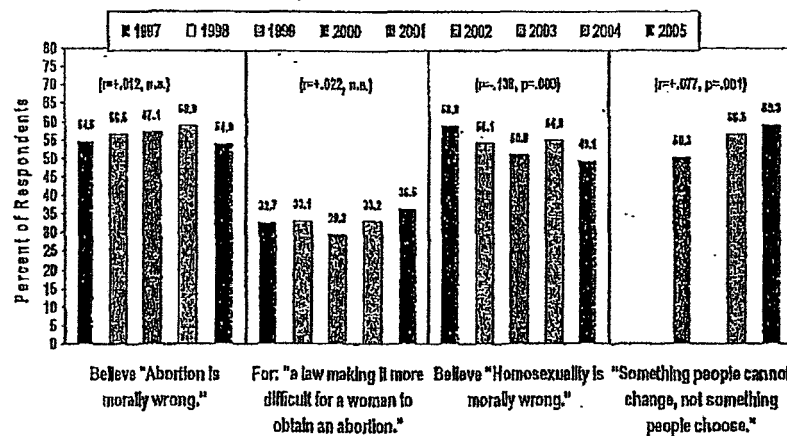
**FIGURE 8: SUPPORT FOR IMMIGRATION IN SIX HOUSTON COMMUNITIES (1995, 2002)**



**FIGURE 9: BELIEFS ABOUT HOUSTON'S ETHNIC DIVERSITY (1994-2005)**



**FIGURE 10: BELIEFS ABOUT ABORTION AND HOMOSEXUALITY (1997-2005)**

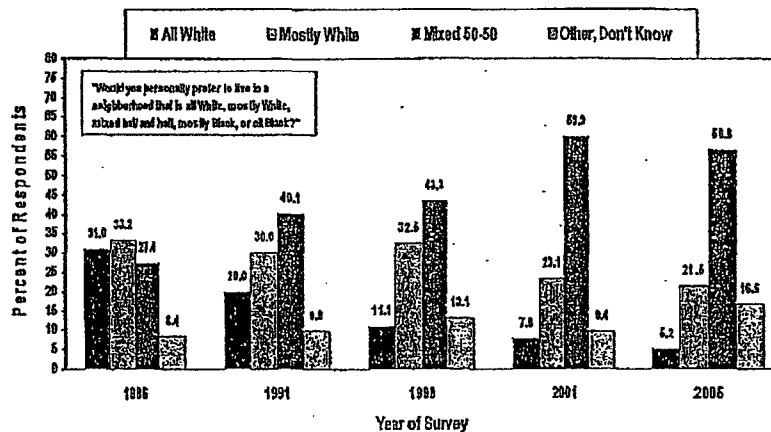


## THE ETHNIC DIVIDES IN ATTITUDES AND EXPERIENCES

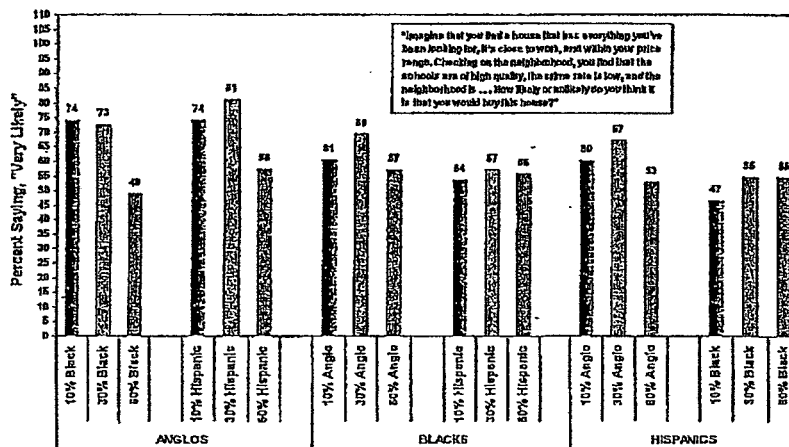


- Prejudice has not disappeared in this still segregated city, but it is now less conscious and more difficult to address. The surveys suggest that Houston's residential segregation today continues, at least in part, to reflect Anglo preferences.
- African Americans generally live in and "see" a world of continuing discrimination and of unequal opportunities that most Anglos simply do not see, and vice versa.
- Among Anglos and Latinos, increasing income is associated with less empathy for the poor, but richer blacks remain as committed as poorer blacks to redressing the inequalities, and they continue to support the Democratic Party.

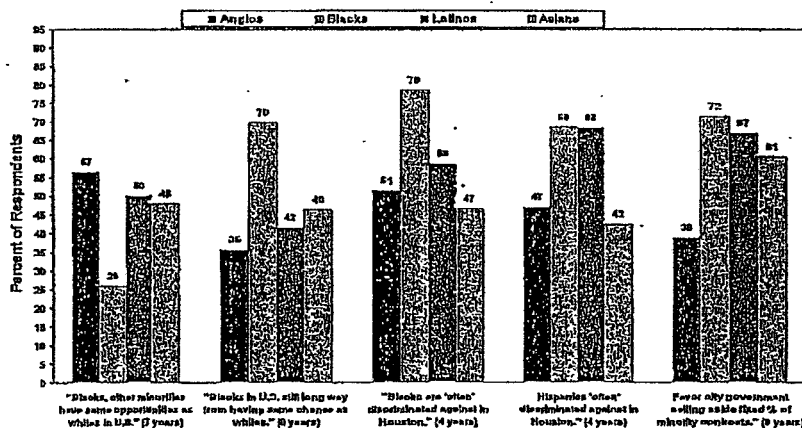
**FIGURE 11: ANGLOS' PREFERENCES  
 REGARDING THE RACIAL COMPOSITION  
 OF THEIR NEIGHBORHOODS (1986-2005)**



**FIGURE 12: THE IMPACT OF A NEIGHBORHOOD'S RACIAL COMPOSITION ON THE LIKELIHOOD OF BUYING A HOUSE (2004)**



**FIGURE 13: INTERETHNIC DIFFERENCES IN BELIEFS ABOUT EQUALITY OF OPPORTUNITY IN AMERICA (1991-2005)**



### THREE IMPLICATIONS OF THE SURVEYS FOR HOUSTON'S FUTURE



- This city will need to nurture a considerably more educated workforce and develop effective policies to reduce the growing inequalities, which otherwise will result in a larger and more permanent urban underclass in the years ahead.
- Houston must continue to make progress in becoming a far more environmentally and aesthetically appealing urban destination, if it is to attract and retain the nation's most innovative companies and talented individuals.
- If the region is to flourish in the new century, it will need to develop into a much more inclusive and unified multiethnic society, one with true equality of opportunity, where all can participate as full partners in shaping the Houston future.

### CONTACT INFORMATION



Professor Stephen L. Klineberg  
Department of Sociology, MS-28  
Rice University, P. O. Box 1892  
Houston, Texas 77251-1892

Telephone: 713-348-3484 or 713-665-2010

email address: [slk@rice.edu](mailto:slk@rice.edu)

Web: [www.houstonareasurvey.org](http://www.houstonareasurvey.org)

## Gatekeeper Program

The Gatekeeper Program is an innovative partnership that respects and values the older members of this community. Seniors can count on familiar figures in their own neighborhoods to watch out for them and take prompt action when danger signs appear. With a trained Gatekeeper nearby, help is just a phone call away.



### Gatekeeper Partners

- PUBLIC SERVICE & UTILITY COMPANIES:**
- City of Houston Water Department
  - Harris County Constable's Office Precinct 1
  - Houston Fire Department
  - Houston Police Department
  - Harris County Public Health and Environmental Services
  - Veterinary Public Health
  - CenterPoint Energy
  - Reliant Energy
  - Southwestern Bell Telephone Company, CWA (Communication Workers of America)
  - Village Fire Department
- SOCIAL SERVICE ORGANIZATIONS:**
- Harris County Area Agency on Aging
  - Neighborhood Centers, Inc.
  - Sheltering Arms Senior Services
  - Texas Department of Aging and Disability Services
  - Texas Department of Family and Protective Services
  - Adult Protective Services
  - United Way of the Texas Gulf Coast



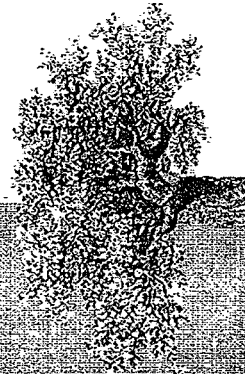
For more information about the Gatekeeper Program, call

**713-685-2832**

United Way of the Texas Gulf Coast  
Gatekeeper Program  
50 WAUGH DR.  
HOUSTON TX 77007



**An Elderly Person  
May Need Your Help**



**GATEKEEPER  
PROGRAM**

*Watching out  
for the Elderly*



A program of the United Way  
of the Texas Gulf Coast



## Gatekeeper Program

### *Watching Out for the Elderly*

#### Background

Millions of older people in our community live alone. They are often determined to remain independent in the familiar comfort of their own homes, in spite of failing health and other challenges. With family members scattered, and no one checking on them regularly, a simple problem may lead to serious consequences.

#### Gatekeepers to the Rescue

The Gatekeeper Program was created to make sure that every older person has a network of trained community representatives looking out for them on a regular basis.

Gatekeepers are the thousands of public service and utility company employees who are trained to recognize danger signs indicating an elderly person may be at risk. When a problem is suspected, Gatekeepers contact the United Way Gatekeeper Program.

The Gatekeeper staff contacts the elderly person to determine whether there is cause for concern. The situation is assessed and referrals are made to vital services such as home delivered meals, medical care, homemaker services, transportation, financial assistance and case management if needed.

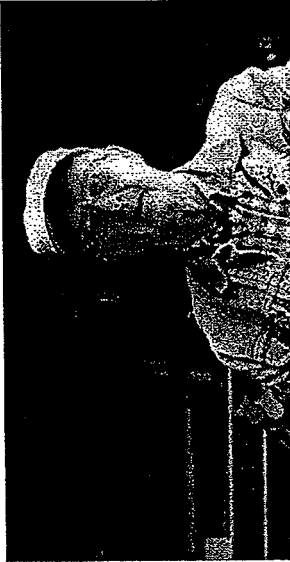
## A Community Partnership

The effectiveness of the Gatekeeper Program is the result of a strong community partnership between private, public, and social service organizations. United Way serves as the entry point for Gatekeeper contacts. Calls are answered 24 hours a day, 7 days a week, in conjunction with 211 Texas/United Way Helpline.

Gatekeeper training is provided for employees of participating public service and utility organizations. As the eyes and ears of the community, Gatekeepers are well prepared to recognize signs of distress and take prompt and effective action.

### Gatekeepers Reporting Process

- 1) Gatekeepers contact the Gatekeeper Line at 713-685-2832 and provide a detailed report so the situation can be addressed promptly.
- 2) Gatekeepers identify themselves: name, organization and phone number (including extension or pager number).
- 3) Gatekeepers provide contact information for the elderly person: name, address, phone number (or name and number for an alternative contact person).
- 4) Gatekeepers provide details about the situation: observations of living conditions and needs; comments made by the elderly person; physical impairments such as limited hearing or vision, confusion, or other disabilities.



### Danger Signs Include:

#### Home

- House in need of major repairs
- Yard overgrown, untended
- Mail or newspapers uncollected
- Unsanitary or unsafe conditions

#### Physical Condition

- Difficulties with seeing, hearing or speaking
- Limited mobility
- Bruises, swelling or sores on body

#### Emotional Well Being

- Confused, disoriented or forgetful
- Nervous or fearful
- Hostile or agitated

#### Economic Situation

- Not enough money to purchase food or medications
- Unable to pay rent/mortgage
- Utilities cut off (electric/gas/water)

#### Social Circumstances

- Living alone
- Appears isolated
- Little or no contact with family, friends or neighbors

Blood Drive Expenses	
Employee Travel	5.00
Employee Rel Exp-Bus Meals	10.00
Meals P-card	66.00
Park/In-town travel	122.00
Awards/Gifts	1,250.00
Employ Rel Exp-misc	13.00
M&S Exp-P-card	494.00
Printing Svcs	11,147.00
Other Services	19,596.00
A & G Exp-Freight	291.00
Donations-Cash	5,000.00
<u>Sponsorships/Contributions</u>	<u>3,000.00</u>
<b>Total</b>	<b>40,994.00</b>



**Corporate Volunteer Program Expenses '05**

Other Comp-Urban	64.00
Oth Comp-Non-Exempt	114.00
Employee Travel	369.00
Employ Rel Exp-Training	20.00
Employ Rel Exp-Registration	4,779.00
Employ Rel Exp- Bus meals	4,572.00
Meals -Pcard	8,031.00
Park- In town travel	780.00
Awards/Gifts	400.00
Employ Rel Exp-Misc	1,409.00
M&S Esp- Non -Inventory	8,778.00
M&S Exp -P-card	65,725.00
Cont & Svcs Exp-Prof Svcs-Ded	98.00
Other Services	46,213.00
Advertising -Gen	5,609.00
Donation Non-cash	203.00
<b>Total</b>	<b>147,164.00</b>

**Community Outreach Expenses 2005**

Employee Travel	252.00
Employ Rel Exp-Registration	4,755.00
Employ Rel Exp- Bus meals	1,940.00
Meals -Pcard	9,906.00
Entertainment	200.00
Park- In town travel	746.00
Awards/Gifts	685.00
Employ Rel Exp-Misc	456.00
M&S Esp- Non -Inventory	500.00
Office supplies	1,219.00
M&S Exp -P-card	21,297.00
Contr & Svcs Exp-Media	809.00
Contr & Svcs Exp-Security Owned	150.00
Printing Svcs	1,160.00
Long Distance /Fax	3.00
Other Services	81,402.00
Club member & Exp	100.00
Freight	197.00
Advertising -Gen	9,197.00
Donations- Cash	1,750.00
Donation Non-cash	2,211.00
Sponsorship/Contributions	71,340.00
<b>Total</b>	<b>210,275.00</b>

Request No: OPC02-04

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Please provide the total amount of Community Relations expenses charged to each CNP affiliate (or business unit) during the test year.

**ANSWER:**

A total of \$368,414, a small portion of Community Relations' labor cost only, was allocated to CenterPoint Energy gas operations.

Sponsor: Sharon Owens

Responsive Documents:  
None

Request No: OPC02-05

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

What is the total amount of Community Relations Consumer Affairs-related expenses requested by CEHE in Docket 32093, separately stated by direct and assigned costs?

**ANSWER:**

The total amount requested by CenterPoint TDU for Community Relations Consumer Affairs-related expenses for 2005 is \$423,242. The amount does not include labor and miscellaneous support costs because Community Relations does not allocate these costs to the programs within this category. This entire amount is 100% direct costs.

Sponsor: Sharon Owens

Responsive Documents:  
None

Request No: OPC02-06

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

What is the total amount of Community Relations Education-related expenses requested by CEHE in Docket 32093, separately stated by direct and assigned costs.

**ANSWER:**

The total amount of Community Relations Education-related expenses for 2005 was \$162,954. The amount does not include labor and miscellaneous support costs because Community Relations does not allocate these costs to the programs within this category. This entire amount is 100% direct costs.

Sponsor: Sharon Owens

Responsive Documents:

None

Request No: OPC02-07

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Does CEHE pay employees for work hours lost when employees participate in Corporate Volunteer Programs? If so, provide the amount requested by CEHE for recovery during the test year and provide all documents and calculations which support your response.

**ANSWER:**

CenterPoint TDU employees are expected to do volunteer work on their personal time, and employees who wish to volunteer during normal work hours must have management approval and arrange to make up any work missed. CenterPoint TDU does not pay employees for work hours lost when employees participate in Corporate Volunteer Programs.

Sponsor: Sharon Owens

Responsive Documents:  
None

Request No: OPC02-08

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043  
OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Does CEHE pay employees for work hours lost when employees participate in Community Outreach programs and Blood Drive programs? If so, provide the amount requested by CEHE for recovery during the test year and provide all documents and calculations which support your response.

**ANSWER:**

CenterPoint TDU does not pay employees for work hours lost when employees participate in Community Outreach programs and Blood Drive programs. Some activities such as blood drives, Junior Achievement programs, and Texas Scholars presentations and tutorials, usually take place during the standard work day. Employees who wish to donate blood or volunteer to participate in these activities during normal work hours must have management approval and arrange to make up any work that is missed.

Sponsor: Sharon Owens

Responsive Documents:  
None

Request No: OPC02-09

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

- a.) Regarding 2-7 and 2-8 above, identify any other volunteer or similar programs for which employees are paid for hours not worked.
- b.) Provide the total amount requested by CEHE for recovery during the test year.

**ANSWER:**

- a.) There are no other volunteer or similar programs for which employees are paid for hours not worked.
- b.) CenterPoint TDU is not requesting any amounts related to employees paid for hours not worked during the test year.

Sponsor: Sharon Owens

Responsive Documents:  
None



Request No: OPC02-10

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

What is the total amount of expenses associated with Power Tools for Nonprofits Conference that CEHE is requesting for recovery during the test year?

**ANSWER:**

The total amount of expenses associated with Power Tools for Nonprofits Conference is \$46,830. This does not include labor and miscellaneous support costs because Community Relations does not allocate these costs by program.

Sponsor: Sharon Owens

Responsive Documents:  
None

Request No: OPC02-10A

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

What is the total amount of expense associated with the following categories of Community Relations expenses that CEHE is requesting for recovery during the test year?

- a.) community health and safety fairs
- b.) youth leadership projects
- c.) local festivals
- d.) employee participation in non-profit board activities

**ANSWER:**

Note: the costs listed below do not include labor and miscellaneous support costs because Community Relations does not allocate these costs by program.

- a.) community health and safety fairs  
Community Relations does not track expenses specifically related to participating in health and safety fairs. Participation in health and safety fairs consist of primarily of distributing in-stock safety booklets and other giveaway items. Employees are also reimbursed for nominal expenses such as mileage and parking.
- b.) youth leadership projects  
The total amount of expenses associated with youth leadership projects is \$9,963.
- c.) local festivals  
The total amount of expenses associated with local festivals is \$22,337.
- d.) employee participation in non-profit board activities  
Community Relations does not track expenses specifically related to participation in non-profit board activities. However, Community Relations tracks volunteer hours through the company's self reporting volunteer database. If there is any membership fee associated with a company supported non-profit organization, that fee has been captured in the corporate membership budget.

Sponsor: Sharon Owens

Responsive Documents:  
None

Request No: OPC02-11

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Please provide a detailed listing of all Community Relations expenses incurred for each of the activities below for which CEHE is requesting cost recovery in Docket 32093.

- a.) Speakers Bureau Program
- b.) K-12 Energy/Safety Education Program
- c.) Education Relations Program

**ANSWER:**

Note: The costs listed below do not include labor and miscellaneous support costs because Community Relations does not allocate these costs by program.

- a.) Speakers Bureau Program total expenses: \$8,182.50
- b.) Energy/Safety Education Program total expenses: \$115,518.18
- c.) Education Relations Program total expenses: \$28,674.92

Sponsor: Sharon Owens

**Responsive Documents:**

- Attachment 1: Speakers Bureau 2005 expenses
- Attachment 2: Energy/Safety Education 2005 expenses
- Attachment 3: Education Relations 2005 expenses

<b>Speakers Bureau 2005 Expenses</b>		
	<b>Type of Expenditure</b>	<b>Cost</b>
	Business meals, refreshments for speaker training sessions	\$672.20
	Parking expenses for recognition event	\$225.00
	Miscellaneous employee expenses	\$431.25
	Registration fees for conference	\$275.00
	Awards/recognition for speaker volunteers	\$1,720.00
	Printing services	\$211.44
	Office supplies	\$66.60
	Sponsorships & tables	\$800.00
	Catering & recognition event expenses	\$3,781.01
	<b>Total</b>	<b>\$8,182.50</b>

Energy/Safety Education Program 2005 Expenses	
Type of Expenditure	Cost
Employee travel for education conferences	\$1,490.43
Business meals	\$622.24
Parking, mileage expenses	\$696.26
Miscellaneous employee expenses	\$434.60
Telephone calls	\$16.59
Training	\$610.00
Memberships	\$3,000.00
Materials & supplies--booklets for distribution to schools	\$103,132.77
Web site licensing fee	\$3,500.00
Postage/courier expenses	\$15.29
Sponsorships & tables for education events	\$2,000.00
<b>Total</b>	<b>\$115,518.18</b>

Education Relations 2005 Expenditures by Project/Activity				
Project or activity	Type of expenditure	Cost	Subtotal	
Texas Business & Education Coalition activities	Travel & business meals	\$3,293.16		
	Sponsorships:VIP Briefing & Honor Roll			
	Awards for TX public schools	\$2,000.00		
Texas Association of Partners in Education	Membership		\$5,293.16	
	Conference registration fee	\$500.00		
	Travel & business meals	\$275.00		
Business/school partnerships		\$568.53		
	Training		\$1,343.53	
	Awards	\$69.25		
	Books & subscriptions	\$135.31		
	Catering, refreshments for school projects	\$30.31		
	Supplies & materials	\$6,094.07		
	Sponsorships	\$1,033.62		
North Forest ISD GO Centers		\$1,000.00		
	Catering expense for dedication event		\$8,362.56	
	Supplies & materials	\$1,056.74		
Greater Houston Partnership Education & Workforce Advisory Committee		\$330.88		
	Education luncheon sponsorships		\$1,387.62	
	Catering, refreshments	\$2,082.50		
	Sponsorship	\$1,217.05	\$2,082.50	
Junior Achievement		\$200.00		
	Supplies & materials	\$225.00		
Take Your Child to Work Day			\$1,642.05	
	Refreshments for participants			
	Supplies & materials	\$140.04		
Texas Scholars activities		\$566.60		
	Photography		\$706.64	
	Supplies & materials	\$162.38		
	Catering, refreshments	\$221.38		
	Sponsorship of HISD senior recognition event	\$548.84		
		\$3,000.00		
	Parking for regional meeting guests	\$300.00		
			\$4,232.60	

Project or activity	Type of expenditure	Cost	Subtotal
Teacher Externship Program	Supplies & materials	\$83.82	
	Participant meals & refreshments	\$320.45	\$404.27
UNCF support (costs shared with Outreach Program)	Supplies & materials	\$1,815.04	
	Refreshments	\$474.11	\$2,289.15
Hester House project (costs shared with Outreach Program)	Supplies & materials	\$69.69	
	Refreshments	\$42.11	\$111.80
Miscellaneous employee supplies & expenses	Long distance/fax	\$24.60	
	Miscellaneous employee expenses	\$584.34	
	Business meals	\$210.10	\$819.04
	<b>Total</b>	<b>\$28,674.92</b>	<b>\$28,674.92</b>

Request No: OPC02-12

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Does CEHE pay employees for work hours lost when employees participate in any Community Relations Educational-related programs? If so, provide the amount requested during the test year and provide all documents and calculations which support your response.

**ANSWER:**

No. Employees are expected to do volunteer work on their personal time. Because education activities such as Junior Achievement, Texas Scholars presentations, tutorials, etc., generally take place during the standard work day, employees who wish to volunteer must have management approval and arrange to make up any work that is missed.

Sponsor: Sharon Owens

Responsive Documents:  
None



Request No: OPC02-13

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Please provide a detailed listing of all economic development expenses associated with the Wal-Mart Import Distribution Center that CEHE is requesting for recovery in Docket 32093.

**ANSWER:**

The Wal-Mart Import Distribution Center project was finalized in January 2005. The only associated expenses incurred in 2005 were 4 hours staff time which totaled \$226.48 (\$56.62/hour labor and burden.) This project was developed by Wal-Mart in two - 2,000,000 sq.ft. phases over 2 years. Even though phase 2 of this project was finalized in January 2005, CenterPoint TDU partnered with local and state officials for over 2 years in pursuit of the 1350 jobs that this project ultimately brought to the service area.

Sponsor: Sharon Owens

Responsive Documents:

None

Request No: OPC02-14

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Please provide a breakdown of test year economic development expenses incurred for each of the activities below for which CEHE is requesting cost recovery in Docket 32093.

- a.) site selection assistance
- b.) market research
- c.) project lead development and coordination services for economic development organizations
- d.) market research assistance
- e.) any categories not listed in (a) to (d) above

**ANSWER:**

The categories of site selection assistance, market research, project lead development and coordination services for economic development organizations, and market research assistance are an accurate summary description of daily work activity. However, Economic Development does not account for its activities by these categories. Attached is the 2005 Actual Economic Development detailed listing and associated year-end total expenditures for each line item as we account for them. The total expenses CenterPoint TDU is requesting to recover in this Docket is \$1,560,055, inclusive of labor.

Sponsor: Sharon Owens

Responsive Documents:

2005 Actual Economic Development Listing

Economic Development COST ELEMENTS		2005	YEAR-TO-DATE ACTUAL
515040	Bonus/Inc-Exempt		50,907.00
515042	Bonus/Inc-Non-Exempt		4,469.00
515050	Non-prod-Exempt		115,493.00
515052	Non-prod-Non-Exempt		15,234.00
517994	Overtime Non-Exempt		635.00
517995	Regular Non-Exempt		73,308.00
517998	Regular Exempt		7,897.00
517999	Regular Exempt		487,334.00
	<b>Exempt &amp; Non-Exempt Labor</b>		<b>755,277.00</b>
521999	Payroll Burden		313,801.00
	<b>Labor Burden and Benefits</b>		<b>1,069,078.00</b>
522010	Employee Travel		33,205.00
522011	Employee Travel P-Card		174.00
522020	Employ Rel Exp-Training		14,695.00
522030	Registration		2,769.00
522040	Dues & Licenses		1,495.00
522060	Employ Rel Exp-Bus Meals		62,430.00
522061	Meals-Pcard		3,078.00
522062	Entertainment		15,154.00
522080	Park/In-town Travel		29,430.00
522110	Occ Hlth & Safety		65.00
522120	Books & Subscriptions		0.00
522130	Misc Empl Rel Exp		15,518.00
	<b>Employee Expenses</b>		<b>178,013.00</b>
530010	M&S Supplies - Non Inventory		203.00
530030	M&S-Ofc Furn & Equip		1,759.00
530999	M&S Supplies - Inventory		94.00
533010	Computer Hardware		96.00
535010	M&S Exp-Office Supplies		4,690.00
535015	M&S Expenses - P-Card		1,750.00
	<b>Materials and Supplies Expenses</b>		<b>8,592.00</b>
543050	Cont&Svcs Exp-Technical Svcs		0.00
545040	Cont/Sv Add/Alt/Rem		694.00
545120	Temp Manpower Svc		8,729.00
545520	L Dist/Fax/Cellular		4,005.00
546010	Other Services		289,642.00
	<b>Contracts and Services</b>		<b>303,070.00</b>
550040	Postage/Courier		848.00
550080	Club Member & Exp		0.00
550100	A & G Exp-Freight		0.00
571020	Utilities Exp-Telephone		411.00
	<b>Miscellaneous Expenses</b>		<b>1,259.00</b>
642071	Fleet Allocation		9.00
643502	Fleet Pool Vehicles		34.00
702050	Depr-Transportation		0.00
	<b>HL&amp;P Transportation Cost Ele.</b>		<b>43.00</b>
	<b>TOTAL INCURRED EXPENSES</b>		<b>1,560,055.00</b>
643102	Labor 1 1/2-Non Exempt		-685.00
643201	Labor Straight Time-Exempt		-10,439.00
643202	Labor 1 1/2-Exempt		-9,009.00
	<b>TOTAL ALLOCATED EXPENSES</b>		<b>1,539,922.00</b>

Request No: OPC02-15

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Please provide all reports, studies and other documents which provide evidence that CEHE's economic development activities have created jobs in the CEHE service area during the test year.

**ANSWER:**

In our effort to improve the economic vitality of the communities we serve, our Economic Development Department partnered with the Economic Development Organizations within the communities in our service area, as well as, various state agencies, to attract 3888 new jobs in 2005. These 25 projects represent only the projects that were finalized in 2005 and that we played a major role in the success of bringing to the area. It is not uncommon for us to be involved in some major projects for several years. Attached is the detailed documentation of each of the 25 projects that were finalized in 2005.

The documents as indexed below are voluminous and will be made available in the Houston and Austin offices. To make arrangements for viewing these documents, please contact Lisa Harris in Houston at (713) 207-5217 or Dolores Prince in Austin at (512) 397-3060.

Description	Pages	Date
Landed Project Documentation	1	2005
BP Amercia	2-12	2005
Cadeco Industries	13-37	2005
Cardinal Healthcare II	38-65	2005
Cyberonics	66-73	2005
Enduro Fiberglass	74-187	2005
Glazier Food	188-210	2005
Goya Foods	211-243	2005
Gulf Copper	244-250	2005
Isolagen	251-274	2005
Lawler's Foods	275-301	2005
Meco	302-316	2005
Oilfield Bearing Industries	317-327	2005
Plastipack Pkg. Inc.	328-362	2005
Powers Holdings V, LLC	363-376	2005
Predator Mission	377-386	2005
Redline	387-395	2005
Sanyo Chemical	396-485	2005
Schlitterbahn	486-537	2005

Schulte Business Systems	538-558	2005
Sim-Tex	559-581	2005
Standard Equipment Co.	582-593	2005
Sunoco	594-605	2005
U.S. Plunger	606-633	2005
Wal-Mart Phase II	634-653	2005

Sponsor: Sharon Owens

Responsive Documents:

CenterPoint Energy, Economic Development, 2005 Landed Projects Documentation

Request No: OPC02-16

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Please provide the total amount of Economic Development expenses charged to each CNP affiliate (or business unit) during the test year.

**ANSWER:**

All Economic Development expenses were charged to CenterPoint TDU. Those expenses are detailed in the response to OPC02-14.

Sponsor: Sharon Owens

Responsive Documents:  
None

Request No: OPC02-17

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

Please provide the total amount of test year Customer Goodwill expense that CEHE is requesting for recovery during the test year.

**ANSWER:**

As of test year ending 12/31/05 the Customer Goodwill expenses totaled \$97,313.39.

Sponsor: Sharon Owens

Responsive Documents:  
None

Request No: OPC02-18

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

- a.) For each Community Relations-related program, meeting, event, or activity, or document, is the CenterPoint Energy corporate name or logo used, displayed, and/or referred to?
- b.) For each Community Relations-related program, event or activity or document, is the CEHE name or logo displayed along with the CenterPoint Energy corporate name? Please explain your response.

**ANSWER:**

- a. Display of the CenterPoint Energy Corporate name or logo is program specific and is not tracked by Community Relations.
- b. CenterPoint Energy TDU does not have it's own independent logo. See response to (a.) above. CenterPoint Energy utilizes the Corporate trademark name. See , also, response to OPC02-02.

Sponsor: Sharon Owens

Responsive Documents:  
None



Request No: OPC02-19

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
PUC DOCKET NO. 32093  
SOAH DOCKET NO. 473-06-2043**

**OFFICE OF PUBLIC UTILITY COUNSEL**

**QUESTION:**

- a. Please provide a complete description of the nature and purpose of each lawsuit associated expense for which CEHE is requesting for recovery in Docket 32093.
- b. Please provide the settlement payment associated with each lawsuit.

**ANSWER:**

- a. Per agreement, two lists of invoices for lawsuits are attached. The first list "2005 CEHE Litigation Invoice without Reserve Report High Level" (Attachment 1) is a list of cases in which the CenterPoint TDU is a party. These are directly charged to CenterPoint TDU. The list does not include lawsuits handled by the Claims department. Invoices for those lawsuits are attached to OPC02-21a. The second list "2005 CNP Litigation Invoices" (Attachment 2) is a list of lawsuits filed against the corporate parent a portion of which is assigned to CenterPoint TDU.

Claims Reserve: Please refer to Figure GHR-3. The only amount in Figure GHR-3 for which CenterPoint TDU is seeking recovery is the \$.86 million for Claims Department internal expenses. The lawsuit settlements of \$1.2 million, claims settlements of \$1.5 million and outside counsel fees of \$.9 million are all cash payments made against General and Automobile Liability Reserve accounts. These cash payments are not expensed in the same period they are paid. The expenses are booked on an accrual basis when adjustments are made to the reserve account balance and not when cash payments are made against the reserve. The Reserve account balance adjustments will either increase or decrease the Reserve balance depending on the amount of outstanding liabilities at the time the adjustment is made. The General and Automobile Liability Reserves are adjusted on a quarterly basis. Any adjustments (to either increase or decrease the Reserve balances) made to the Reserves are expensed at that time. During the test year, \$2.9 million was expensed for CenterPoint TDU General and Automobile Reserve account balance adjustments. CenterPoint TDU is seeking recovery of the \$2.9 million which is included as a part of FERC account 925 on Schedule II-D-2.

- b. A list of lawsuit settlements is attached (Attachment 3). All 2005 lawsuit settlements were matters handled by the Claims Department.

Non-confidential responsive documents, if any, are attached to this response. Protected Materials, Highly Sensitive Protected Materials, and Critical Energy Infrastructure Information, if any, are being provided to you separately under seal pursuant to the Protective Order issued in this docket.

Sponsor: George H. Roper

Responsive Documents:

Attachment 1 - 2005 CEHE Litigation Invoice without Reverse Report High Level (Highly Sensitive)

Attachment 2 - 2005 CNP Litigation Invoices (Highly Sensitive)

Attachment 3 - Electrical Lawsuit Payments in 2005 (Highly Sensitive)