

AJones emails_REI12-06, Attachment 6.txt
the CTs and PTs were functionalized to distribution in the UCOS case?

Thanks,

Steve

From: Jones, Allen
Sent: Tuesday, February 28, 2006 10:52 AM
To: Winn, Stephen
Cc: 2006 TDU RATECASE; Purdue, Jim
Subject: acct data transfer file

Steve,

I recognize a change we need to make to the transfer file. Accounts 586, 597 and 370 were split between the Distribution function and Metering function.

These accounts now need to go all to the Metering function.

Let me know if you have any questions or comments.

Thanks,

Allen x75235

From: Jones, Allen
Sent: Tuesday, February 28, 2006 10:52 AM
To: Winn, Stephen
Cc: 2006 TDU RATECASE; Purdue, Jim
Subject: acct data transfer file

Steve,

I recognize a change we need to make to the transfer file. Accounts 586, 597 and 370 were split between the Distribution function and Metering function.
These accounts now need to go all to the Metering function.

Let me know if you have any questions or comments.

Thanks,

Allen x75235

AJones emails_REI12-06, Attachment 6.txt

DStorey electronic emails_REI12-06,Attachment 7.txt

From: Winn, Stephen
Sent: Saturday, March 25, 2006 12:46 PM
To: Storey, Darren L.; Wood, Chris G.; Berry, Lisa M
Cc: 2006 TDU RATECASE
Subject: FW: Donations

Darren,

Please add 426.1 at the bottom of the A&G schedule under 935. The amount should match what is on II-D-2.5 for this account.

Chris,

Is it appropriate to functionalize the entire amount to TDCS?

Lisa,

Please add this account to the transfer file under 935.

Thanks,
Steve

From: Hardcastle, Denise S.
Sent: Friday, March 24, 2006 5:28 PM
To: Winn, Stephen ; Thomas, Charlene D.
Cc: 2006 TDU RATECASE
Subject: RE: Donations

agree

DStorey electronic emails_REI12-06,Attachment 7.txt

From: Storey, Darren L.
Sent: Monday, March 20, 2006 8:47 AM
To: Walker, Melanie J.
Cc: Winn, Stephen ; 2006 TDU RATECASE
Subject: RE: Head count

Attachments: image001.gif

Melanie,

It changed on March 7th , but should not have changed since then. The contractors were not included in the data as temporary employees from the payroll group. I also thought I had made you aware of the change at that time. Sorry if I didn't.

L. Darren Storey
Regulatory Reporting
(713) 207-4931
Darren.Storey@centerpointenergy.com

From: Walker, Melanie J.
Sent: Monday, March 20, 2006 8:39 AM
To: Storey, Darren L.
Subject: Head count

Darren,

When did the Head Count % change?

Melanie Walker
CenterPoint Energy
Regulatory Accounting
(713)207-8781

DStorey electronic emails_REI12-06,Attachment 7.txt

From: Storey, Darren L.
Sent: Saturday, March 04, 2006 9:01 AM
To: Berry, Lisa M
Cc: Winn, Stephen ; 2006 TDU RATECASE
Subject: Sch. II-D-3.5 Number of Emp

Lisa,

This schedule has been modified to include all four functions. Please make the changes to read the additional data in your master file.

Thank you,

Darren

L. Darren Storey

Regulatory Reporting

(713) 207-4931

Darren.Storey@centerpointenergy.com

DStorey electronic emails_REI12-06,Attachment 7.txt

From: Storey, Darren L.
Sent: Saturday, February 11, 2006 9:42 AM
To: Walker, Melanie J.; Wood, Chris G.; Winn, Stephen
Cc: 2006 TDU RATECASE
Subject: PAYXAG Calc

Attachments: 2005 PAYXAG calc.xls

Here is the PAYXAG calculation.

L. Darren Storey

From: Storey, Darren L.
Sent: Wednesday, February 08, 2006 8:24 AM
To: Walker, Melanie J.
Cc: Winn, Stephen
Subject: RE: Substation Split

Attachments: image001.gif

Got it!

Thank you, Melanie.

L. Darren Storey

Regulatory Reporting

(713) 207-4931

Darren.Storey@centerpointenergy.com

From: Walker, Melanie J.
Sent: Wednesday, February 08, 2006 8:23 AM
To: Storey, Darren L.
Cc: 2006 TDU RATECASE; Winn, Stephen
Subject: Substation Split

Darren,

DStorey electronic emails_REI12-06, Attachment 7.txt
Here are the Substations split:

A353 - Transmission Substation - .93 Trans; .07 Distr

A362 - Distribution Substation - .37 Trans; .63 Distr

Melanie Walker

CenterPoint Energy

Regulatory Accounting

(713)207-8781

(713) 207-9799 Fax

(713) 404-1046 Pager

SWinn electronic emails_REI12-06,Attachment 8.txt

From: Winn, Stephen
Sent: Tuesday, April 04, 2006 12:29 PM
To: Hardcastle, Denise S.
Cc: Thomas, Charlene D.; 2006 TDU RATECASE
Subject: Updated Package

Attachments: 2006 Rate Filing Package_sched.xls

Denise,

This file has been updated for the ADFIT change that Tim Z made. It was mainly a change to functionalization of ADFIT. Return for distribution rounded down one thousand dollars.

Thanks

Steve

From: Winn, Stephen
Sent: Tuesday, April 04, 2006 12:25 PM
To: 'Jay Joyce'
Cc: 2006 TDU RATECASE
Subject: Updated File-Very Minor Change to Rate Base

Attachments: 2006 Rate Filing Package_sched.xls

Jay,

One of our file links had not updated. Please use this file instead. There is a minor functionalization change to ADFIT and it slightly changed by less than \$1,000.

Thanks,

Steve

From: Gipson, Patrick W.
Sent: Monday, April 03, 2006 7:22 AM
To: Winn, Stephen
Subject: RE: Master Truck Lease

Steve,

Yes, all 31 units are distribution vehicles.

Pat

From: Winn, Stephen
Sent: Saturday, April 01, 2006 8:27 AM
To: Gipson, Patrick W.
Cc: 2006 TDU RATECASE
Subject: Master Truck Lease
Importance: High

Pat,

Are all of the vehicles in the master truck lease distribution vehicles?

Thanks,

Steve

From: Winn, Stephen
Sent: Saturday, April 01, 2006 8:27 AM
To: Gipson, Patrick W.
Cc: 2006 TDU RATECASE
Subject: Master Truck Lease

Importance: High

Pat,

Are all of the vehicles in the master truck lease distribution vehicles?

Thanks,

Steve

-----Original Message-----

From: Winn, Stephen [mailto:stephen.winn@centerpointenergy.com]
Sent: Tuesday, March 28, 2006 7:32 PM
To: Timothy Zeldenrust
Cc: Hardcastle, Denise S.; 2006 TDU RATECASE
Subject: Updated Schedules

Tim,

Attached are the current rate filing package and an adjustments list that is up to date with the current adjustments. I may change a functionalization factor for other revenue tomorrow. Also, I am expecting an update to the cash working

SWinn electronic emails_REI12-06,Attachment 8.txt
capital number tomorrow. I will let you know when I have changes. Please call if you have any questions.

Also I noticed a formatting issue with your II-B-12.1 in case you haven't caught it yet. The header says Reliant Energy on one page.

Thanks,
Steve Winn

From: Winn, Stephen
Sent: Tuesday, March 28, 2006 7:32 PM
To: 'Timothy Zeldenrust'
Cc: Hardcastle, Denise S.; 2006 TDU RATECASE
Subject: Updated Schedules

Attachments: 2006 Rate Filing Package_sched.xls; RFP Adjustments 3-27-06.xls

Tim,

Attached are the current rate filing package and an adjustments list that is up to date with the current adjustments. I may change a functionalization factor for other revenue tomorrow. Also, I am expecting an update to the cash working capital number tomorrow. I will let you know when I have changes. Please call if you have any questions.

Also I noticed a formatting issue with your II-B-12.1 in case you haven't caught it yet. The header says Reliant Energy on one page.

Thanks,
Steve Winn

From: Winn, Stephen
Sent: Saturday, March 25, 2006 12:46 PM
To: Storey, Darren L.; Wood, Chris G.; Berry, Lisa M
Cc: 2006 TDU RATECASE
Subject: FW: Donations

Darren,

Please add 426.1 at the bottom of the A&G schedule under 935. The amount should
Page 3

SWinn electronic emails_REI12-06,Attachment 8.txt
match what is on II-D-2.5 for this account.

Chris,

Is it appropriate to functionalize the entire amount to TDCS?

Lisa,

Please add this account to the transfer file under 935.

Thanks,

Steve

From: Winn, Stephen
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Is it appropriate to functionalize the entire amount to TDCS?

Lisa,

Please add this account to the transfer file under 935.

Thanks,

Steve

From: Winn, Stephen
Sent: Friday, March 24, 2006 2:34 PM
To: Johnson, Jane O.
Cc: Ramsey, James F.; 2006 TDU RATECASE
Subject: RE: PCS Towers

Jane,

We functionalized all PCS revenue to transmission. The rational for doing this is that nearly all of these antennas are mounted on transmission towers. If we did not have the transmission towers we would not be able to leverage those assets to get the PCS revenues. This is also consistent with how the revenues were functionalized in the UCOS case.

Thanks,

Steve

From: Johnson, Jane O.
Sent: Friday, March 24, 2006 10:33 AM
To: Winn, Stephen
Subject: PCS Towers

Hi Stephen,

I need confirmation from you in writing, please, that the PCS towers should all be allocated to Transmission. This is based on the fact that without the transmission equipment, we would not have the revenue from the towers.

Thanks,

Jane

From: Winn, Stephen
Sent: Wednesday, March 22, 2006 6:12 PM
To: Walker, Melanie J.
Cc: 2006 TDU RATECASE
Subject: FW: Rate Filing Package - Draft II

Melanie,

SWinn electronic emails_REI12-06,Attachment 8.txt

Are the asset functionalizations finalized now? I'm assuming that they are but please confirm before I send a response to Jim.

Thanks,
Steve

From: Ramsey, James F.
Sent: Wednesday, March 22, 2006 8:34 AM
To: Winn, Stephen
Cc: Brock, Kendall ; Starr, William J.
Subject: RE: Rate Filing Package - Draft II

Steve - Is the asset functionalization schedule finalized? Also, as we discussed, I am still in need of the beginning plant balances for each of the years 2002 through 2005, as required for Schedule II-E-2.1. Can you please give me those figures so I can complete my schedule?

Thanks.

James F. Ramsey
Attorney at Law
Director, Ad Valorem Tax Department
CenterPoint Energy, Inc.

Phone: 713-207-5756
Cell: 713-416-3134
Fax: 713-207-3053

E-mail: jim.ramsey@centerpointenergy.com

From: Jones, Allen
Sent: Monday, March 20, 2006 2:45 PM
To: Romair, Ralph F.; Walker, Melanie J.
Cc: Winn, Stephen ; Hess, David L.; Loog, Cherish T.; Purdue, Jim ; Tinnin, Kenneth D.
Subject: RE: Mat & Supp - Met

Swin electronic emails_REI12-06,Attachment 8.txt

The Metering function for the rate case is only for metering Retail customers. This includes transmission voltage level retail customers, some of which may have generation (customer owned or leased substation) and could take retail back-up service if all of their generation at a site is down. These retail metering costs (meters, transformers, and associated equipment) are included in Account 370. It is my understanding that the A370 metering plant for distribution voltage level Retail customers is capitalized into A370 when purchased using a template provided to Plant Accounting by the Metering Dept, and that A370 metering plant for transmission voltage level Retail customers is capitalized into A370 when installed based on actual costs. This is what leads me to believe that M&S in the Metering function would/should be the A370 plant that has been purchased and not yet installed for the transmission voltage level Retail customers. Metering and associated equipment for CNP owned substations should be put in the function for that substation, I believe A353 for transmission substations and A362 for distribution substations (if any). Any Metering inventory for CNP owned substations would go to the transmission function (A353) and the distribution function (A362).

The amount of inventory in the Metering function and exactly what it is needs to be confirmed. This will affect the allocation to rate classes. Metering costs will be a closely scrutinized issue in this rate case.

Thanks,
Allen x75235

From: Romair, Ralph F.
Sent: Monday, March 20, 2006 12:56 PM
To: Walker, Melanie J.
Cc: Jones, Allen ; Winn, Stephen ; Hess, David L.
Subject: RE: Mat & Supp - Met

Melanie,

I'll do the best I can to address the email below. The year end values I reported, and attempted to separate into functional areas, show that there were M&S dollars within the Meters' material group that were located in Transmission and Distribution plants. These "associated" materials were not likely to be meters or transformers, but rather hardware used in the installation of those items.

Thank you,

Ralph Romair

Material Coordinator, Sr. - Purchasing And Logistics

SHC - Bldg. A, room 107

Phone - 713-945-5989; Pager - 713-687-4655

Fax - 713-945-6939; ralph.romair@CenterPointEnergy
<<mailto:ralph.romair@CenterPointEnergy>>

"America's leading Energy Delivery Company, and more."

<<http://www.centerpointenergy.com/home/1,3282,,00.html?direct=CNP>>
Page 7

From: Walker, Melanie J.
Sent: Monday, March 20, 2006 8:33 AM
To: Romair, Ralph F.
Cc: Jones, Allen ; Winn, Stephen ; 2006 TDU RATECASE
Subject: FW: Mat & Supp - Met

Ralph,

Can you confirm Allen Jones' question below? The \$1,602 is just the 13-month average from your schedules you sent me.

From: Jones, Allen
Sent: Friday, March 17, 2006 4:55 PM
To: Winn, Stephen ; Berry, Lisa M
Cc: Drews, Burl
Subject: Mat & Supp - Met

Steve,

Could you confirm that the Materials and Supplies in the Metering function of \$1,602 (thousands) is only for Transmission voltage customers and is both the meter portion and transformer portion. I believe all other A370 meters and transformers for distribution customers are capitalized into A370 when purchased, so would not be in inventory. This will affect the allocation to rate classes.

Thanks,

Allen

From: Jones, Allen
Sent: Friday, March 17, 2006 4:55 PM
To: Winn, Stephen ; Berry, Lisa M
Cc: Drews, Burl
Subject: Mat & Supp - Met

Steve,

Could you confirm that the Materials and Supplies in the Metering function of \$1,602 (thousands) is only for Transmission voltage customers and is both the meter portion and transformer portion. I believe all other A370 meters and transformers for distribution customers are capitalized into A370 when purchased, so would not be in inventory. This will affect the allocation to rate classes.

Thanks,

SWinn electronic emails_REI12-06,Attachment 8.txt

Allen

From: Winn, Stephen
Sent: Friday, March 17, 2006 4:38 PM
To: Jones, Allen ; Berry, Lisa M
Cc: 2006 TDU RATECASE; Drews, Burl ; Purdue, Jim
Subject: RE: Transfer File

Allen,

We just received adjusted depreciation numbers by FERC for depreciation expense so we will drop those numbers into our schedules.

I concur that we agreed this morning that 565 will be functionalized to transmission.

Thanks

Steve

From: Jones, Allen
Sent: Friday, March 17, 2006 3:43 PM
To: Berry, Lisa M
Cc: 2006 TDU RATECASE; Winn, Stephen ; Drews, Burl ; Purdue, Jim
Subject: RE: Transfer File

I believe we agreed this morning that A565 is functionalized to Transmission.

From: Bush, Tim D.
Sent: Monday, March 13, 2006 8:36 AM
To: Winn, Stephen
Cc: Bodden, Dale G.
Subject: Revised Sub T&D Allocations Due tp Cap Banks

Steve,

See attached files. I have updated the allocation spreadsheets to reflect a shift of certain Distribution cap banks from a distribution allocation to a transmission allocation. I have also attached a summary sheet that details the change by each substation. The shifted cap banks were identified from a list supplied by Transmission System Planning and matched to the spreadsheet by voltage level and where possible MVARs.

The total effect is as follows:

On the transmission file - \$497K moved from distribution to transmission

On the Distribution file - \$2,119k moved from distribution to transmission

Dale Bodden can provide the PUC rule that allows certain distribution cap banks to be recovered as transmission costs if you need it.

If you have any questions, call me at 207-6708

From: Winn, Stephen
Sent: Friday, March 10, 2006 9:47 AM
To: Jones, Allen
Cc: 2006 TDU RATECASE
Subject: RE: A906-916

In the range of accounts you have listed we are only using accounts 907-910. Currently those accounts are 100% TDCS.

From: Jones, Allen
Sent: Friday, March 10, 2006 9:25 AM
To: Winn, Stephen
Cc: 2006 TDU RATECASE
Subject: A906-916

Steve,

Could you tell me what amounts for A906-916 are going to Distribution function and what amounts are going to TDCS, based on current estimates (knowing they are not final)? Is the portion going to Distribution the EEP/DSM dollars and the remainder going to TDCS?

Thanks,

Allen x75235

From: Winn, Stephen
Sent: Friday, March 10, 2006 8:05 AM
To: Wood, Chris G.
Cc: 2006 TDU RATECASE
Subject: Corporate Functionalization

Chris,

Is this Q & A accurate?

Thanks,

Steve

Q. HOW HAS CENTERPOINT TDU FUNCTIONALIZED CORPORATE CENTER COSTS BILLED TO CENTERPOINT TDU FROM CENTERPOINT ENERGY SERVICES, INC. (CENTERPOINT SERVICES)?

A. CenterPoint Services costs occur in two categories: direct billed and assigned costs. Direct billed costs are charged to the specific function as the costs are incurred in support of that specific function. Assigned costs are assigned to the business units based on the CenterPoint Services Corporate Cost Center Assignment Manual, which identifies charges to the business unit and is attached to the Jim Brian's testimony. To further functionalize, both categories require the use of a factor. The factor used is PAYXAG[PBC1] as charged to each function and is provided on Schedule II-F. This factor provides a reasonable allocation of costs to the functions to reflect the support required by those activities. Jim Brian and Johnny Blau provide additional testimony as to the basis and levels of corporate center support that are required to support the business activities of the utility.[PBC2]

From: Ramsey, James F.
Sent: Monday, March 06, 2006 9:34 AM
To: Winn, Stephen
Cc: Starr, William J.; Brock, Kendall ; 2006 TDU RATECASE
Subject: Rate Case Property Tax Functionalization

Steve - Attached is a worksheet showing the property tax functionalization as of this date. The figures can be found in bold print on Line 27. The figures do not include the changes reflecting the most recent asset allocation document that Melanie sent, because we are going to wait for the next update to make any changes. Any changes from this point should be relatively minor, unless you make major changes to the asset allocation document.

James F. Ramsey
Attorney at Law
Director, Ad Valorem Tax Department
CenterPoint Energy, Inc.

Phone: 713-207-5756
Cell: 713-416-3134
Fax: 713-207-3053

Swinn electronic emails_REI12-06,Attachment 8.txt

E-mail: jim.ramsey@centerpointenergy.com

From: Winn, Stephen
Sent: Friday, March 03, 2006 4:23 PM
To: Johnson, Jane O.
Cc: 2006 TDU RATECASE
Subject: RE:

Yes I think all of the exhibit materials should be functionalized to the TDCS function.

Thanks,

Steve

From: Johnson, Jane O.
Sent: Friday, March 03, 2006 4:21 PM
To: Winn, Stephen
Subject:

Hi Steve,

I will be out most, if not all, of next week. Would you please let Jim Ramsey know what you and Michelle decide on the allocation of the PCS towers? Also, could you confirm for me that, in your opinion, the exhibit materials being stored should be allocated 100% to customer service, based on the use of the materials? I appreciate your help!

Thanks,

Jane

From: Winn, Stephen
Sent: Thursday, March 02, 2006 9:47 AM
To: Hardcastle, Denise S.
Cc: 2006 TDU RATECASE
Subject: Question on Schedule II-D-3.5

Denise,

The title of II-D-3.5 on the table of contents says "Number of Employees by
Page 12

SWinn electronic emails_REI12-06,Attachment 8.txt

Function". On the detailed instructions this schedule is only titled "Number of Employees" and the detailed instructions do not mention functionalizing the number of employees. I'm assuming they do want employee count functionalized because they are asking for all of the other payroll items by function but it is a little confusing that they don't mention it in the detailed instructions. AEP has their schedule functionalized but only between transmission and distribution. What do you think?

Steve

From: Winn, Stephen
Sent: Wednesday, March 01, 2006 7:46 PM
To: Walker, Melanie J.
Cc: 2006 TDU RATECASE
Subject: FW: Occupancy of CNP-T and Travis Tower

Attachments: TDU CNP&TT Allocations.xls

Here are the areas that occupy travis tower and cnpt. We can discuss in the morning. What I am doing for the rents and leases schedule is functionalizing based on the way that the FERC that the lease was charged to is functionalized and not by the square footage that Joe supplied here. It seemed like a better approach.

Thanks,

Steve

From: Winn, Stephen
Sent: Monday, February 27, 2006 5:47 PM
To: Gresham, Joe D.
Cc: 2006 TDU RATECASE
Subject: Occupancy of CNP-T and Travis Tower

Joe,

I have reviewed all of my e mails and have also checked with Melanie and I can't find where we have information relating to what groups are occupying CNP-T and Travis Tower. For the lease schedule I will need to know the square footage each group is occupying in order to allocate these costs to a function. I do have an e mail from you stating that all of ECDC is transmission so I do not need any information for that leased facility. But I do need to know what company 0003 groups are occupying CNP-T and Travis Tower. Also I would assume that the Travis Tower parking garage can be functionalized using the same allocation factor as Travis Tower. Do you think that is a fair assumption? Please call if we need to discuss.

Thanks,

Steve Winn

7-8906

From: Winn, Stephen
Sent: Tuesday, February 28, 2006 1:10 PM
To: Creveling, Phil B.
Cc: 2006 TDU RATECASE
Subject: RE: Explanation Requested

Phil,

Functionalization is the process of separating costs into the 6 functions as described in the rate filing package instructions and further defined in PUC Subst R. 25.334. It should be noted however that we are only using 4 of the 6 functions. The instructions allow us to combine TBILL, ABILL and TDCS into one function (TDCS). We are doing that.

A function refers to functions regulated by the Public Utility Commission of Texas. For all utilities, the following are regulated functions:

DIST, MET, TBILL, ABILL, and TDCS.

For all members of the Electric Reliability Council of Texas (ERCOT), the TRAN function is also a regulated function.

From: Creveling, Phil B.
Sent: Tuesday, February 28, 2006 11:06 AM
To: Winn, Stephen
Subject: Explanation Requested

Stephen, in Fitzgerald's latest draft testimony, the following is a comment from Kroger, the lawyer:

[Kroger comment: for a lay-reader {e.g., the ALJ}, a real helpful question/answer before we get into this would be: "WHAT IS FUNCTIONALIZATION?" In the answer to this question, we should also explain what a "function" is. Then, discuss how we did it.]

Can you please provide me a brief response to these questions:

1) what is functionalization?

2) SWinn electronic emails_REI12-06,Attachment 8.txt
what a function is?

so that I can incorporate them into his testimony? Thanks.

Phil B. Creveling

Accounting Policy & Research

phil.creveling@CenterPointEnergy.com

713.207.7960 W 979.236.2378 C

Please contribute on behalf of my ride

from Houston to Austin in support of

Multiple Sclerosis in the MS-150 April 22-23

by donating at the following:

<http://ms150.org/edon.cfm?id=180728> <<http://ms150.org/edon.cfm?id=180728>>

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- 1) what is functionalization?
- 2) what a function is?

so that I can incorporate them into his testimony? Thanks.

Phil B. Creveling

Accounting Policy & Research

phil.creveling@CenterPointEnergy.com

713.207.7960 W 979.236.2378 C

Please contribute on behalf of my ride

from Houston to Austin in support of

Multiple Sclerosis in the MS-150 April 22-23

by donating at the following:

<http://ms150.org/edon.cfm?id=180728> <<http://ms150.org/edon.cfm?id=180728>>

From: Winn, Stephen
Sent: Tuesday, February 28, 2006 11:41 AM
To: Jones, Allen
Cc: 2006 TDU RATECASE; Purdue, Jim ; Walker, Melanie J.
Subject: RE: acct data transfer file

Allen,

In our schedules we have 586 and 597 functionalized 100% to metering. For 370 we have the majority of it going to metering. However, we have directly assigned the amounts for CTS and PTS to distribution. We mainly did this because that is how it was done in the UCOS case. I can see the argument for functionalizing it all to metering but that is not what we have currently in our schedules. Do you know why the CTS and PTS were functionalized to distribution in the UCOS case?

Thanks,

Steve

From: Jones, Allen
Sent: Tuesday, February 28, 2006 10:52 AM
To: Winn, Stephen
Cc: 2006 TDU RATECASE; Purdue, Jim
Subject: acct data transfer file

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These accounts now need to go all to the Metering function.

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Thanks,

Allen x75235

From: Winn, Stephen
Sent: Monday, February 27, 2006 5:47 PM
To: Gresham, Joe D.
Cc: 2006 TDU RATECASE
Subject: Occupancy of CNP-T and Travis Tower

Joe,

I have reviewed all of my e mails and have also checked with Melanie and I can't find where we have information relating to what groups are occupying CNP-T and Travis Tower. For the lease schedule I will need to know the square footage each group is occupying in order to allocate these costs to a function. I do have an e mail from you stating that all of ECDC is transmission so I do not need any information for that leased facility. But I do need to know what company 0003 groups are occupying CNP-T and Travis Tower. Also I would assume that the Travis Tower parking garage can be functionalized using the same allocation factor as Travis Tower. Do you think that is a fair assumption? Please call if we need to discuss.

Thanks,

Steve Winn

7-8906

From: Winn, Stephen
Sent: Thursday, February 23, 2006 5:15 PM
To: Bodden, Dale G.
Cc: Bush, Tim D.; Gylling, Robert E.; 2006 TDU RATECASE
Subject: FW: Additional Dollars Added to the Rate Filing Package for
Transmission/Substation Projects

Dale,

In addition to needing this data by FERC I will also need it functionalized between transmission and distribution. I forgot to mention that in my original e mail. Tim Bush and Tino Castillo have been helping us functionalize the other substation assets between transmission and distribution so they are familiar with what the requirements are.

Thanks,

Steve

From: Winn, Stephen
Sent: Tuesday, February 14, 2006 4:00 PM
To: Ramsey, James F.
Cc: 2006 TDU RATECASE
Subject: RE: Plant Functionalization

Attachments: image001.gif

We hadn't planned on doing it for any other time frame than 12-31-05.

Thanks,

Steve

From: Ramsey, James F.
Sent: Tuesday, February 14, 2006 3:43 PM
To: Winn, Stephen
Subject: FW: Plant Functionalization

Steve - Are you performing this plant functionalization process for any other time frame other than 12/31/2005?

Thanks.

James F. Ramsey
Attorney at Law
Director, Ad Valorem Tax Department
CenterPoint Energy, Inc.

Phone: 713-207-5756
Cell: 713-416-3134
Fax: 713-207-3053

E-mail: jim.ramsey@centerpointenergy.com

From: Walker, Melanie J.
Sent: Monday, February 13, 2006 10:19 AM
To: Ramsey, James F.
Cc: Winn, Stephen ; 2006 TDU RATECASE
Subject: Plant Functionalization

Here is the file for the plant functionalization. Account 397 will change soon due to the change in payroll functionalization. I will send you an update when it happens. Also, I'm attaching the M&S functionalization given to me by Ralph Romair. Feel free to call me if you have any questions.

Melanie walker
CenterPoint Energy
Regulatory Accounting
(713)207-8781

From: Thomas, Charlene D.
Sent: Sunday, February 12, 2006 4:42 PM
Page 19

Swin electronic emails_REI12-06,Attachment 8.txt

To: Winn, Stephen
Cc: 2006 TDU RATECASE
Subject: I/T Functionalization

I would be interested in seeing how much of the first 4 lines can be directly assigned to a function? Are you doing that?

Information Technology

Applications

17,064

4,335

21,400

Mainframe Data Storage

2,383

0

2,383

Legacy Mainframe CPU

7,761

0

7,761

Enterprise Client Specific

1,349

0

1,349

Call Center

395

SWINN electronic emails_REI12-06,Attachment 8.txt

0

395

Telephone Basic Line

1,428

0

1,428

Telcom Moves/Adds/Changes

101

0

101

Desktop Data Device

10,611

0

10,611

Corporate G&A

851

0

851

Other

-189

0

-189

Storm Duty Billable Hrs

Swinn electronic emails_REI12-06,Attachment 8.txt

0

169

169

From: Blum, Deanna L.
Sent: Wednesday, February 08, 2006 8:08 AM
To: Holden, Jim
Cc: Winn, Stephen
Subject: Request for information on prepaid insurance for TDU rate case

Jim,

I am assisting on the TDU rate case and I need some information to help identify prepayments, more specifically for insurance in account 139010. I need be able to functionalize these insurances into the following categories:

Transmission

Distribution

Metering

Billing

T & D Customer Service

I would need to know what these insurance policies are for in order to assign/allocate costs to the different functions. Listed below are the types of prepaid insurance in account 139010 for the year 2005

General Liability

Worker's Compensation

Oil Property Insurance

All Risk Property Insurance

10 - year Pollution policy

Crime

Excess liability

Worker's Compensation TPA fees

Excess liability - Aegis

Excess liability - Eim

Excess liability - London

Excess liability - Crime

Hopefully, you are the correct person to contact. But, if not, please let me know. Our schedules are due on 2/13 (this Monday), so if you could please provide this information quickly, that would be great.

Thanks for your help.

Deanna Blum

CenterPoint Energy, Regulatory Reporting

713.207.8785

deanna.blum@CenterPointEnergy.com

From: Winn, Stephen
Sent: Wednesday, February 08, 2006 7:59 AM
To: Walker, Melanie J.
Cc: 2006 TDU RATECASE
Subject: FW: Microwave Tower Allocating

Melanie,

We may end up using this in allocating 397.

Thanks,

Steve

From: Schoech, Melvin
Sent: Wednesday, February 08, 2006 7:37 AM
To: Winn, Stephen
Cc: Engle, Johnny N.
Subject: Microwave Tower Allocating

Steve, in round numbers, I would classify the microwave tower function as related 60% to Distribution and 40% to Transmission; nothing to metering or customer service.

Melvin

From: Winn, Stephen
Sent: Tuesday, February 07, 2006 3:13 PM
To: Patzig, Carrie L.
Cc: 2006 TDU RATECASE
Subject: FW: Misc Rev Analysis
Attachments: miscellaneous_revenue_accounts1-2005.xls; image001.gif

Carrie,

Jelka said that you were familiar with the Revenues from Forfeited Discounts in account 445010. I need to functionalize these revenues between distribution, transmission, TDCS (T&D Customer Service) and Metering. Can you tell what the basis is for these revenues and from there we might be able to determine how to functionalize them?

Thanks,

Steve

From: Winn, Stephen
Sent: Monday, January 30, 2006 7:27 AM
To: Bush, Tim D.
Cc: 2006 TDU RATECASE
Subject: RE: Hurricane Rita functionalized?

Thanks

From: Bush, Tim D.
Sent: Monday, January 30, 2006 7:20 AM
To: Winn, Stephen
Subject: RE: Hurricane Rita functionalized?

Steve,

The transformer was at Highlands substation - property section 409. This is listed as a distribution substation.

Tim

From: Winn, Stephen
Sent: Sunday, January 29, 2006 12:30 PM
To: Bush, Tim D.
Cc: 2006 TDU RATECASE
Subject: FW: Hurricane Rita functionalized?

Tim,

Was the substation transformer that we replaced during Rita at a distribution sub or a transmission sub?

Thanks,

Steve

From: Thomas, Charlene D.
Sent: Sunday, January 29, 2006 11:26 AM
To: Winn, Stephen
Cc: 2006 TDU RATECASE
Subject: Hurricane Rita functionalized?

Can you tell me how the Hurricane Rita reg asset at year end has been functionalized?

Charlene D. Thomas
Financial Accounting
CNPT 3720
713.207.7138

From: Winn, Stephen
Sent: Sunday, January 29, 2006 12:30 PM
To: Bush, Tim D.
Cc: 2006 TDU RATECASE
Subject: FW: Hurricane Rita functionalized?

Tim,

Was the substation transformer that we replaced during Rita at a distribution sub or a transmission sub?

Thanks,
Steve

From: Thomas, Charlene D.
Sent: Sunday, January 29, 2006 11:26 AM
To: Winn, Stephen
Cc: 2006 TDU RATECASE
Subject: Hurricane Rita functionalized?

Can you tell me how the Hurricane Rita reg asset at year end has been functionalized?

Charlene D. Thomas
Financial Accounting
CNPT 3720
713.207.7138

From: Winn, Stephen
Sent: Sunday, January 29, 2006 12:28 PM
To: Wood, Chris G.
Cc: 2006 TDU RATECASE
Subject: FW: Hurricane Rita functionalized?

FYI

From: Winn, Stephen
Sent: Sunday, January 29, 2006 12:26 PM
To: Thomas, Charlene D.
Cc: 2006 TDU RATECASE
Subject: RE: Hurricane Rita functionalized?

Charlene,

We have not functionalized it yet. I would propose that everything should go to distribution except the amounts associated with orders 39181845-Transmission and 39181846-Substation. The transmission order will be functionalized to transmission and the substation order can be split based on the percentages we get from substation for account 362

Steve

From: Thomas, Charlene D.
Sent: Sunday, January 29, 2006 11:26 AM
To: Winn, Stephen
Cc: 2006 TDU RATECASE
Subject: Hurricane Rita functionalized?

Can you tell me how the Hurricane Rita reg asset at year end has been functionalized?

Charlene D. Thomas
Financial Accounting
CNPT 3720
713.207.7138

From: Winn, Stephen
Sent: Sunday, January 29, 2006 12:26 PM
To: Thomas, Charlene D.
Cc: 2006 TDU RATECASE
Subject: RE: Hurricane Rita functionalized?

Charlene,

We have not functionalized it yet. I would propose that everything should go to distribution except the amounts associated with orders 39181845-Transmission and 39181846-Substation. The transmission order will be functionalized to transmission and the substation order can be split either based on the percentages we get from substation for account 362

Steve

From: Thomas, Charlene D.
Sent: Sunday, January 29, 2006 11:26 AM
To: Winn, Stephen
Cc: 2006 TDU RATECASE
Subject: Hurricane Rita functionalized?

Can you tell me how the Hurricane Rita reg asset at year end has been functionalized?

Charlene D. Thomas
Financial Accounting
CNPT 3720
713.207.7138

From: Winn, Stephen
Sent: Thursday, January 26, 2006 2:02 PM
To: Powers, Jelka L.
Cc: 2006 TDU RATECASE
Subject: RE: Misc Rev Analysis
Importance: High

Jelka,

For the line item Misc. Billable Operating Revenue below can you tell me who is knowledgeable about what is booked there? For the rate case I need to functionalize all revenues to one of four factors (Distribution, Transmission, Customer Service or Metering). I found an owner to help me functionalize all of these revenues except this one.

We are working off tight deadlines so any help you could be would be appreciated.

Thanks,

Steve Winn

Misc. Billable Operating Revenue

(545,706.30)

From: Winn, Stephen
Sent: Thursday, January 26, 2006 2:02 PM
To: Powers, Jelka L.
Cc: 2006 TDU RATECASE
Subject: RE: Misc Rev Analysis

Importance: High

Attachments: image001.gif

Jelka,

For the line item Misc. Billable Operating Revenue below can you tell me who is knowledgeable about what is booked there? For the rate case I need to functionalize all revenues to one of four factors (Distribution, Transmission, Customer Service or Metering). I found an owner to help me functionalize all of these revenues except this one.

We are working off tight deadlines so any help you could be would be appreciated.

Thanks,

Steve Winn

Misc. Billable Operating Revenue

(545,706.30)

From: Winn, Stephen
Sent: Friday, January 20, 2006 1:20 PM
To: Gipson, Patrick W.
Cc: 2006 TDU RATECASE; Hopkins, Samuel P.; Walker, Melanie J.
Subject: Rate Case Request - Vehicles and Power Operated Equipment

Attachments: Vehicles and Power Operated Equipment - Gipson.xls

Pat,

The attached file has the list of vehicles and power operated equipment for Company 0003 (Houston Electric). For the rate case we need to assign these vehicles to functions. What I need is for these vehicles to be assigned based on their primary use. The categories I need them broken into are:

Distribution (Line trucks, bucket trucks, pole trucks, diggers, trouble shooters trucks, crew leader trucks or any other vehicles, trailers or equipment used directly for distribution)

Transmission (Line trucks, bucket trucks, pole trucks, diggers, trouble shooters trucks, crew leader trucks or any other vehicles, trailers or equipment used directly for transmission)

Metering (Trucks or equipment used for primary metering)

FSRs (vehicles used for FSR's)

Meter Reading (vehicles used for meter reading)

2 Man Truck (vehicles used primarily for setting self contained meters and trouble)

Swinn electronic emails_REI12-06,Attachment 8.txt

Service Consultants (vehicles assigned to service consultants)

Substation (vehicles used by substation crews)

In the type column on the attached spreadsheet please identify the vehicles in one of the above categories. If a vehicle doesn't fit into one of the above categories please state what it is used for. If equipment is in a warehouse cost center or is assigned to a garage please assign this vehicle to the function that the warehouse or garage predominately supports (distribution, substation or transmission).

We need this data back no later than Thursday January 26th.

Thank you for your assistance.

Steve Winn

From: Winn, Stephen
Sent: Friday, January 20, 2006 12:28 PM
To: Rater, Charles A
Cc: Walker, Melanie J.; 2006 TDU RATECASE
Subject: Rate Case Information Needed

Charlie,

We are functionalizing account 397.02 - Computer Equipment for the TDU rate case. We would like to do a direct map of this account based on how many PCs we have assigned to each cost center and then assign each cost center to a function. Can you please send the number of PCs (or people with PCs if that is how you keep the data). We can then use that data to come up with an allocation among the 4 functions. Please give me a call if you have any questions concerning this request. Thanks for your help.

When you respond to this e mail please be sure to copy the 2006 TDU RATECASE mailbox.

Steve Winn

Cwood electronic emails_REI12-06, Attachment 9.txt

From: Wood, Chris G.
Sent: Friday, March 10, 2006 9:16 AM
To: Winn, Stephen
Cc: 2006 TDU RATECASE
Subject: RE: Corporate Functionalization

Not entirely correct. To the extent Corporate costs are recorded to non A&G FERC accounts, this statement is not true. For example, some of the IT costs billed to the TDU are recorded to FERC accounts 5600 (\$2.8mill), 5800 (\$17.7mill) and 9030 (\$6.9mill). Non of these FERC accounts are functionalized based on PAYXAG.

In addition, the items described as "pass-through" are recorded to various non A&G FERC accounts and are functionalized accordingly.

From: Winn, Stephen
Sent: Friday, March 10, 2006 8:05 AM
To: Wood, Chris G.
Cc: 2006 TDU RATECASE
Subject: Corporate Functionalization

Chris,

Is this Q & A accurate?

Thanks,
Steve

Q. HOW HAS CENTERPOINT TDU FUNCTIONALIZED CORPORATE CENTER COSTS BILLED TO CENTERPOINT TDU FROM CENTERPOINT ENERGY SERVICES, INC. (CENTERPOINT SERVICES)?

A. CenterPoint Services costs occur in two categories: direct billed and assigned costs. Direct billed costs are charged to the specific function as the costs are incurred in support of that specific function. Assigned costs are assigned to the business units based on the CenterPoint Services Corporate Cost Center Assignment Manual, which identifies charges to the business unit and is attached to the Jim Brian's testimony. To further functionalize, both categories require the use of a factor. The factor used is PAYXAG[PBC1] as charged to each function and is provided on Schedule II-F. This factor provides a reasonable allocation of costs to the functions to reflect the support required by those activities. Jim Brian and Johnny Blau provide additional testimony as to the basis and levels of corporate center support that are required to support the business activities of the utility.[PBC2]

Request No: REI12-07

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

QUESTION:

Please explain why the functionalization of communication equipment was changed from that used in Docket 22355.

ANSWER:

Please see the response to RFI REI01-03S-1

Sponsor: Walter L. Fitzgerald

Responsive Documents:

None

Request No: REI12-08

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

QUESTION:

Please provide a table with the number of mobile radios assigned to the employees in the following functions:

- a. Transmission
- b. Distribution
- c. Metering
- d. Customer Service

ANSWER:

Please see the attached table for the number of mobile radios assigned to employees in the transmission, distribution, metering, and customer service functions.

Sponsor: Don Cortez

Responsive Documents:
Radio Inventory by Function

Radio Inventory by Function

Department	Vehicle Mounted Mobile Voice	Vehicle Mounted Mobile Data	Desktop Mounted Voice	Hand Held Voice	Total Radios	Ratio of Radios to Employees	Number of Employees
Transmission (includes Substation)	220	0	22	97	339	64.7%	524
Distribution (includes FSR's)	1,292	820	291	997	3,400	200.7%	1,694
Distribution (Spares and EOP)	615			150	765		
Distribution Total	1,907	820	291	1,147	4,165		
Metering (includes meter readers)	223	0	4	0	227	50.0%	454
Customer Service	0	0	0	0	0	0.0%	186
Totals	2,350	820	317	1,244	4,731		

Notes:

1. The 820 vehicle mounted mobile data radios are for transmitting data on outages and service orders to field personnel
2. The 291 desktop mounted voice radios are assigned to crew offices and storm rooms at various work centers
3. 150 of the hand held voice radios are in reserve for use in Emergency Operations Plan (EOP) activities for contractors, staging sites, material coordination etc.
4. 615 of the vehicle mounted mobile voice radios are spares. Two-thirds of these are old, in need of repair and are used for spare parts
5. A number of the hand held voice radios are used by crews so that they can take the hand held unit to the work site when they are away from the truck (both overhead and underground crews).
6. As a result, many of the field crews have 3 radios, mobile data, vehicle mounted mobile voice and hand held voice.

Request No: REI12-09

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

RELIANT ENERGY INC.

QUESTION:

Do customer service personnel use mobile radios? Is every customer service employee issued a mobile radio? What percentage of customer service employees are issued a mobile radio? How does this compare to the percentage of employees assigned to other functions who are issued mobile radios?

ANSWER:

Customer service personnel do not use mobile radios. Customer service personnel are not issued mobile radios. The percentage of customer service personnel that are issued mobile radios is zero. See response to REI 12-08 for a comparison of the number of radios and the number of employees assigned to other functions. The percentage of employees who are issued mobile radios cannot be determined because some employees have no radios and some employees use several radios.

Sponsor: Don Cortez

Responsive Documents:

None

Request No: REI12-10

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

QUESTION:

Do meter readers use mobile radios? Is every meter reader issued a mobile radio? What percentage of employees assigned to the meter function are issued a mobile radio? How does this compare to the percentage of employees assigned to other functions who are issued mobile radios?

ANSWER:

Meter readers have access to mobile radios, because every CenterPoint TDU vehicle used by meter readers has a mobile radio in it. Every meter reader is not issued a mobile radio. See response to REI 12-08 for a comparison of the number of radios and the number of employees assigned to other functions. The percentage of employees who are issued mobile radios cannot be determined because some employees have no radios and some employees use several radios.

Sponsor: Don Cortez

Responsive Documents:
None

Request No: REI12-11

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

RELIANT ENERGY INC.**

QUESTION:

Please explain the purpose of the fiber optic system from the substations mentioned at the June 2 technical conference.

- a. Do meter readers use this system?
- b. Do customer service personnel use this system?

ANSWER:

The fiber optic network connects to the major office buildings, many of the service centers, the control center, and several of the major substations. The purpose of the network is to facilitate voice and data communications.

- a. The meter readers do not normally use the fiber optic system network; however, the meter reading department does use the network to communicate voice and data between the control center and the service centers.
- b. Customer Service personnel use the network for telephone communications and for data.

Sponsor: Don Cortez

Responsive Documents:
None

Request No: REI12-12

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

QUESTION:

Reference Bates page 2708.

- a. Does the number of employees included in the EMPLNUM factor include contract, part-time or temporary workers?
- b. If yes, please provide the number of contract, part-time and temporary workers included in each function.
- c. Has this factor been adjusted to consider that gas and electric meters are read by the same employees? If yes, how? If no, why not?

ANSWER:

- a. The factor EMPLNUM includes part-time and temporary employees.
- b. Please see the workpaper to Schedule II-D-3.5 at Bates page 5249.
- c. No. The gas portion of joint meter reading costs is being billed to the gas affiliate and already includes payroll and payroll related costs. Please see the response to REI12-20 for a detailed listing of these costs.

Sponsor: Walter L. Fitzgerald

Responsive Documents:
None

Request No: REI12-13

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

RELIANT ENERGY INC.**

QUESTION:

Please provide the impact to cash working capital of providing the municipal franchise credit compared to the method of payment employed prior to the tariff credit. If no impact has been calculated, please state whether the impact would be estimated to be an increase or decrease in cash working capital.

ANSWER:

The impact to cash working capital of providing the municipal franchise credit compared to the method of payment employed prior to the tariff credit has not been calculated. These franchise credits were approved in Docket 9850 and have been in effect since 10-23-1991. For the test year, since these credits represent only between 2 and 3 percent of the total municipal franchise accrual the Company estimates that the impact to cash working capital would be a very minor decrease.

Sponsor: Walter L. Fitzgerald

Responsive Documents:
None

Request No: RE112-14

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

RELIANT ENERGY INC.

QUESTION:

Please provide support for the 53.37% and 41.63% functionalization factors for the substation asset class on Bates pages 4761-4768.

ANSWER:

Note: The percentages in the question should be 58.37% and 41.63%

The weighted average percentage used for substation on Bates pages 4761-4768 was incorrect. For the correct substation weighted average percentages, please refer to Bates page 6150. Support for the weighted average for the substation asset classes are found in the workpapers at Bates pages 6158-6160 and 6169-6176. When using the correct percentages, the difference in the amount for substation transmission and distribution was minimal; a \$302 increase to Transmission and a \$302 decrease to Distribution.

Sponsor: Walter L. Fitzgerald

Responsive Documents:
None

Request No: REI12-15

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

RELIANT ENERGY INC.

QUESTION:

Please provide details for account 586, Meter Expense, like that provided for Account 909 on Bates page 5039.

ANSWER:

The responsive 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
Account 586 Detail	1 - 2057

Sponsor: Walter L. Fitzgerald

Responsive Documents:

See list of documents above.

Request No: REI12-16

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

RELIANT ENERGY INC.

QUESTION:

Please provide the current status of the plans to hire 55 FSR FTEs due to the implementation of Terms and Conditions (see Bates page 4993).

- a. Have these individuals been hired?
- b. If yes, please provide documentation.
- c. If no, please explain why
- d. If no, have the positions been posted?

ANSWER:

- a. No
- b. Not applicable
- c. CenterPoint TDU is assessing the best method to incorporate the additional personnel into the workforce, either full time employees or contractors. The Company will be obtaining bids from several contractors to determine the most efficient method.
- d. No.

Sponsor: Don Cortez

Responsive Documents:
None