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SOAH DOCKET NO. 473-10-5001
PUC DOCKET NO. 38339

APPLICATION OF CENTERPOINT § BEFORE THE STATE OFFICE
ENERGY HOUSTON ELECTRIC, LLC § OF
FOR AUTHORITY TO CHANGE § ADMINISTRATIVE HEARINGS
RATES §

GULF COAST COALITION OF CITIES'
SEVENTH REQUEST FOR INFORMATION TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

FILED
APR 16 PM 2:28
PUC OFFICE

The Gulf Coast Coalition of Cities (“GCCC”) file this seventh information request to CenterPoint Energy Houston Electric, LLC (“CenterPoint” or “Company”) in the above-styled docket. CenterPoint is hereby requested to furnish one copy of all items of information enumerated on the attached sheets directly to the offices of Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701, (512) 322-5800, the undersigned attorney, within ten (10) working days. These requests shall be deemed continuing so as to require further and supplemental responses if CenterPoint receives or generates additional information within the scope of these requests between the time of the original response and the time of the hearings. Where applicable, please identify, by bates numbers, all documents responsive to a question and previously provided in response to another question. Also, where data is requested, provide it in hard copy and electronic Excel format.

DEFINITIONS AND INSTRUCTIONS

A. “CNP,” “CEHE” or “CenterPoint” refers to CenterPoint Energy Houston Electric, LLC (an indirect subsidiary of CenterPoint Energy, Inc.), its parents, affiliates and subsidiaries, and any person acting or purporting to act on its behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

B. The term “document” shall have the broadest meaning possible under the Texas Rules of Civil Procedure and shall include, but not be limited to, the original (or a copy when the original is not available), each non-identical copy (including those which are non-identical by reason of notations or marking, or by appearing in the files of a separate person), and any books, notebooks, pamphlets, periodicals, letters, reports, memoranda, handwritten notes, notations, messages, telegrams, wires, cables, press or news wire releases, records, studies, analyses,

summaries, magazines, booklets, circulars, catalogs, bulletins, instructions, operating or maintenance manuals, operating or product specifications, fabrication sheets, test data, design specifications, parts lists, calendars, day-timers, notes or records of meetings, notices, purchase orders, bills, ledgers, checks, tabulations, questionnaires, surveys, drawings, sketches, schematics, blueprints, flow sheets, working papers, charts, graphs, indices, tapes, agreements, releases, appraisals, valuations, estimates, opinions, financial statements, accounting records, income statements, photographs, films or videotapes, back-up tapes, minutes, contracts, leases, invoices, records of purchase or sale, correspondence, electronic or other transcription or tapings of or notes pertaining to telephone or personal conversations or conferences, tape recordings, electromagnetic recordings, voice mail message or transcriptions thereof, interoffice communications of all types, e-mail messages, printouts of e-mail messages, instant messages or printouts thereof, microfilms, electronic databases, CDs, DVDs, videotapes or cassettes, films, movies, computer printouts and any and all other written, printed, typed, punched, engraved, taped, filmed, recorded (electronically or otherwise), labeled, or graphic matter, of whatever description, however produced or reproduced (including computer-stored or generated data, together with instructions or programs necessary to search and retrieve such data), and shall include all attachments to (including tangible things) and enclosures with (including tangible things) any requested item, to which they are attached or with which they are enclosed, and each draft thereof. A draft of a non-identical copy is a separate document within the meaning of this term. An electronic copy of a paper document is a separate document within the meaning of this term.

C. Pursuant to Rule 196.4 of the Texas Rules of Civil Procedure, GCCC specifically requests that any electronic or magnetic data (which is included in the definition of document) that is responsive to a request herein be produced on CD-Rom in a format that is compatible with Microsoft Office and/or Word Perfect and be produced with your response to these requests. GCCC further requests that CenterPoint produce electronic copies of all paper documents, including any metadata attached to such documents, and produce all electronic originals or all responsive documents.

D. The terms "and/or" shall be construed both disjunctively and conjunctively as necessary to make the request inclusive rather than exclusive.

E. "Each" shall be construed to include the word "every" and "every" shall be construed to include the word "each."

F. "Any" shall be construed to include "all" and "all" shall be construed to include "any."

G. The term "concerning," or one of its inflections, includes the following meanings: relating to; referring to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically or factually connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.

H. The term "including," or one of its inflections, means and refers to including but not limited to.

I. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.

J. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.

K. If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.

L. Pursuant to P.U.C. PROC. R. 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.

M. If the information requested is included in previously furnished exhibits, workpapers, responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross references.

Respectfully submitted,

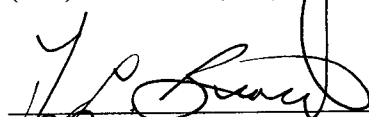
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ATTORNEYS FOR GULF COAST
COALITION OF CITIES

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was transmitted by e-mail, fax, hand-delivery and/or regular first-class mail on this 16th day of August, 2010 to the parties of record.



THOMAS L. BROCATO

- LK 7-1 Refer to page 10 lines 12-16 of Mr. Fitzgerald's Direct Testimony wherein he references the TCOS matrix from Docket No. 37680 and his updates for known and measurable changes.
- a. Please provide a copy of all workpapers developed by and relied on by Mr. Fitzgerald for this purpose.
 - b. Please identify and describe each known and measurable change.
 - c. For each change identified in response to part (b) of this question, please describe the basis for the change, provide the docket number in which the jurisdictional utility filed for the change, and indicate whether the Commission has issued an interim or final order authorizing the change in that Docket.
- LK 7-2 Please provide the computation of the Company's transmission of electricity by others expense with the known and measurable changes. Provide all assumptions, data, computations, and electronic spreadsheets with formulas intact. In addition, please provide these computations in sufficient detail to trace the Company's proposed transmission rate increase request in this proceeding through to the effect on the distribution revenue requirement.
- LK 7-3 Refer to the Company's response to GCCC04-02(c). Please provide a copy of all accounting procedures and guidelines that address the accounting for "reactive" and "proactive" tree trimming.
- LK 7-4 Please provide a five year history of the Company's system hardening activities and the costs incurred for this purpose. Describe each such activity and provide the capital and O&M expense amounts by account in each year.
- LK 7-5 Please provide the amount of the SGIG accrual against CWIP at December 31, 2009.
- LK 7-6 Refer to the Company's response to GCCC04-16. Please provide the portion of the parent Company's pension and OPEB balance sheet funded status attributable to CEHE regardless of whether the funded status is reflected on CEHE's accounting books. Provide all assumptions, data, computations, electronic spreadsheets with formulas intact and a copy of all source documents relied on to make this determination.
- LK 7-7 Refer to the Company's response to GCCC04-17. Please respond to the question that was posed and provide all reasons why the Company did not reduce rate base for the net underfunding of the pension and OPEB obligations. The Company's response states its conclusion that it does not consider the underfunding to be an offset to rate base, but does not provide the reasons or the basis for this conclusion.

- LK 7-8 Refer to the Company's response to GCCC04-24(c). The Company's response and reference to the response to part (a) of the question does not answer the question. Please answer the question posed.
- LK 7-9 Refer to the Company's response to GCCC04-24(d). The Company's response and reference to the response to part (a) of the question does not answer the question. Please answer the question posed. This question can be answered "yes" or "no," and requires an explanation only if the answer is "no."
- LK 7-10 Refer to the Company's response to GCCC04-24(e).
- a. Please provide the amount of the Company's "compensation" in 2008 and 2009 that comports with the definition found in Texas Code Section 171.1013 for purposes of computing the Texas Margin Tax. Separate this amount into 1) "wages and cash compensation" and 2) "benefits." Further, separate these amounts into the amounts incurred directly by CEHE and the amounts assigned/allocated to CEHE from CenterPoint Services.
 - b. Please indicate whether CenterPoint computed the Texas Margin Tax pursuant to option 2 on page 18 line 9 of Mr. Felsenthal's Direct Testimony on a consolidated basis for calendar years 2008 and 2009 to determine whether option 2 was the least cost option compared to options 1 and 3.
 - i. If so, then please provide the computation and the amount of CEHE "compensation" that was included in this computation.
 - ii. If not, then please provide the computation and the amount of CEHE "compensation" that would have been included in this computation.
 - c. Please provide a copy of the Company's 2008 and 2009 Texas Margin Tax returns, all supporting schedules and workpapers, including, but not limited to, alternative computations used to determine the lowest amount of tax on a consolidated basis.
 - d. Please provide a copy of all intercompany tax agreements between CEHE and any and all other CenterPoint affiliates that set forth the computation and/or allocation of the Texas Margin Tax for each entity.
 - e. Please provide a list of all CenterPoint affiliates that were combined in 2008 and 2009 for purposes of the Texas Margin Tax and considered to be "engaged in a unitary business," as that term was used in the Company's response and as that term is used in the statute.
 - f. Please provide a list of all CenterPoint affiliates that were or will be combined in 2008 and 2009 for purposes of the consolidated federal

income tax return. To the extent that there are any differences between the list of affiliates that are combined for purposes of the Texas Margin Tax compared to the affiliates that are consolidated for the consolidated federal income tax return, please explain the reason(s) for each such difference.

- g. Please identify and describe the "unitary business" in which CEHE and other CenterPoint affiliates are engaged. In addition, please provide all support for the Company's determination that CEHE cannot file a standalone separate Texas Margin Tax return pursuant to this or any other statutory requirement.
- h. Please indicate whether CEHE can elect out of the combined return for the Texas Margin Tax. If the response is "no," then please provide all statutory and all other support for this position, including a copy of any and all analyses that addresses this issue.
- i. Please confirm that CEHE has no cost of goods sold for purposes of the computation of the Texas Margin Tax. If this is not the case, then please provide the cost of goods sold amount by FERC account for 2008 and the test year.
- j. Please confirm that the statutory limitation that the margin of the combined group may not exceed 70% of the combined group's total revenue did not apply in 2008 or 2009 in the computation of the Texas Margin Tax.
- k. Please provide the CEHE revenues used in the computation of the 2008 and 2009 margin tax expense.

LK 7-11

Refer to the Company's response to GCCC04-29(c) and the assertion that the Company "reserves the right to identify additional modifications it believes are appropriate should a CTSA be applied in this proceeding."

- a. Please explain what the Company means when it states that "CenterPoint Houston reserves the right to identify additional modifications it believes are appropriate should a CTSA be applied in this proceeding?"
- b. If the Company does not identify any modifications in response to this request, does the Company agree that it will not do so on Rebuttal or through a supplemental response? If not, then please describe how the other parties' due process rights will be protected?

LK 7-12

Refer to the Company's response to GCCC04-34. The question asked for a trial balance, not the balance sheet and income statement pages from the Form 1. Please provide the information requested from the Company's accounting system.

LK 7-13

Refer to pages 320-323 of the Company's 2009 FERC Form 1 (full year), which provides the current year and prior year O&M and A&G expenses by FERC account.

- a. Please provide a detailed explanation of the reasons for an increase or reduction in each account that exceeds 3% in 2009 compared to 2008. This response should be directed toward the scope of activities (new programs, expanded activities, etc.) or other actual reasons for the increases rather than "payroll increased due to additional FTEs." The request is an attempt to ascertain the reasons for such increases.
- b. For each account and each reason identified in response to part (a) of this question, please quantify the effect on 2009 expense. Please provide all assumptions, data, computations, electronic spreadsheets with formulas intact and a copy of all relevant source documents.
- c. Please provide a copy of all CEHE management reports that provide a variance analysis for calendar year 2009 compared to 2008. If none, then please so state.