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APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC FOR AUTHORITY TO CHANGE RATES § § § §

PUBLIC UTILITY COMMISSION BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

City of Houston’s Eleventh Request for Information to CenterPoint Energy Houston Electric, LLC

In connection with the Application filed by CenterPoint Energy Houston Electric, LLC (“CEHE”), by and through its attorney of record, provides the following information within seven (7) days of receipt of these requests. It is further requested that the answers to the requests for information be made under oath and that each item of information be made available as it is completed, rather than upon compilation of all information requested. Each answer should identify the person responsible for preparing that answer (other than the purely clerical aspects of its preparation) and the name of the witness in this proceeding who will sponsor the answer and who can vouch for its accuracy. These requests are continuing in nature, and should there be a change in circumstances which would modify or change an answer supplied by you, such changed answer should be submitted immediately as supplement to your original answer.

Definitions and Explanatory Notes

- 1. When a request calls for identification of a “person or witness,” the identification shall include a full name, business address and business telephone number. The identification should also include a job title and name of employer.
2. The terms “document” and “documents” are used in their broadest sense and shall mean and include all written, printed, typed, recorded, or graphic matter of every kind and description, including drafts, originals and copies, and all attachments and appendices thereto. Without limiting the foregoing, the terms “document” and “documents” shall include all agreements, contracts, communications, correspondence, letters, telegrams, telexes, messages, memoranda, records, reports, books, summaries, tape recordings or other records of telephone conversations or interviews, summaries or other records of personal conversations, minutes or summaries or other records of meetings and conferences, summaries or other records of negotiations, other summaries, diaries, diary entries, calendars, appointment books, time record, instructions, work assignments, forecasts, statistical data,

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statistical statements, financial statements, work sheets, work papers, drafts, graphs, maps, charts, tables, accounts, analytical records, consultants' reports, appraisals, bulletins, brochures, pamphlets, circulars, trade letters, press releases, notes, notices, marginal notations, notebooks, telephone records, bills, statements, records of obligation and expenditure, invoices, lists, journals, advertising, recommendations, printouts, compilations, tabulations, analysis, studies, surveys, transcripts of hearings, transcripts of testimony, affidavits, expense reports, microfilm, microfiche, articles, speeches, tape or disk recordings, sound recordings, video recordings, film, tape, photographs, punch cards, programs, data compilation from which information can be obtained, and other printed, written, handwritten, type-written, recorded, stenographic, computer-generated, computer-stored, or electronically-stored matter, however, and by whomever produced, prepared, reproduced, disseminated, or made. The terms "non-privileged document" and "non-privileged documents" also include all copies of documents by whatever means made, except that where a document is identified or produced, identical copies thereof which do not contain any markings, additions, or deletions different from the original need not be separately produced.

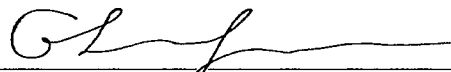
3. If any of the information requests is available in machine-readable form (such as paper or magnetic tapes, drums, disks or other storage), state the form in which it is available and describe the type of computer or other machinery required to read the information.
4. When a request calls for identification of a "document," the identification should include the following:
  - a. the full name and address of the author(s) by whom the document was written, prepared, recorded or made;
  - b. the date of the document;
  - c. the title and/or 're' of the document;
  - d. the subject matter of the document;
  - e. the full name and address of the recipient and every person who received copies of the document;
  - f. the full name and address of the person who has possession, custody or control of the document, or who is in charge of maintaining the document; and
  - g. if the document has been lost, shredded or destroyed (whether intentionally or unintentionally) an explanation of the reasons for and causes of such loss, shredding or destruction.
5. The term "studies" includes any document, as defined herein, which reflects or was utilized in the collection, evaluation, analysis, summarization or characterization of information with the subjects referred to in this proceeding.
6. The term "CenterPoint" and/or "CEHE" includes CenterPoint Energy Houston Electric, LLC and all of its agents, employees, parent companies, subsidiaries, affiliates, predecessors, successors, or assigns.

Respectfully submitted,

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By:   
Chelsea J. Lu

**Counsel for City of Houston**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 6th day of May, 2019, a true and correct copy of the foregoing document was served upon on all parties of record by email and to the Public Utilities Commission by Federal Express.

  
Chelsea J. Lu

**City of Houston's Eleventh Request for Information**

- 11-1. **Compensation:** With respect to the Company's equity-based long-term incentive compensation plans, please provide the following additional information:
- a. Please identify and describe CenterPoint's equity-based compensation plans, providing a description of each form of equity-based compensation offered by CenterPoint.
  - b. Please provide the number of eligible (1) officers, (2) directors and (3) employees, and (4) the number of non-eligible employees.
  - c. Please provide for each type of equity-based compensation the amounts included in CEHE's operating expenses in the test year and the amounts capitalized showing the amounts incurred directly by CEHE and amounts allocated or assigned to CEHE separately identified.
  - d. Please provide for each type of equity-based compensation the amounts included in CEHE's pro forma operating expenses with amounts incurred directly by CEHE and amounts allocated or assigned to CEHE separately identified.
- 11-2. **Compensation:** Please explain if CenterPoint has any equity-based compensation that has not been included as a component of the long-term incentive plans described in the pre-filed direct testimony of Lynne Harkel-Rumford.
- 11-3. **Compensation:** Please provide the amount of equity based compensation, other than the LTI plans described in the pre-filed direct testimony of Lynne Harkel-Rumford, included in the revenue requirement by plan, separately identifying amounts included for the CEHE plans and amounts assigned or allocated to CEHE.
- 11-4. **Compensation:** Please refer to page 12, lines 5 through 16 of the pre-filed direct testimony of Lynne Harkel-Rumford. Please explain if and to what extent on a monetary basis compensation is targeted at 50% of national, regional, or local labor market compensation rates.
- 11-5. **Compensation:** Please refer to page 17, lines 5 through 7 of the pre-filed direct testimony of Lynne Harkel-Rumford. How many of the 19 companies in the comparison group are predominately "wires only" rate regulated utilities with non-competitive service territories?
- 11-6. **Compensation:** Please refer to page 17, lines 5 through 7 of the pre-filed direct testimony of Lynne Harkel-Rumford. What portion of the revenues of the 19 companies in the comparison group comes from transmission and distribution related services?
- 11-7. **Compensation:** Please refer to page 17, lines 5 through 7 of the pre-filed direct testimony of Lynne Harkel-Rumford. What portion of the revenues of the 19 companies in the comparison group comes from non-rate regulated competitive market sales and services?

- 11-8. **Compensation:** Please refer to page 21, lines 1 and 2 of the pre-filed direct testimony of Lynne Harkel-Rumford. Did the Company base the three percent increase in 2019 on a market compensation survey? If so, please describe the survey and provide the results of the survey for non-bargaining employees.
- 11-9. **Compensation:** Please refer to page 23, lines 4 through 11 of the pre-filed direct testimony of Lynne Harkel-Rumford. Did the WorldatWork survey find that the 15% of Companies that did not use short-term incentive compensation plans had problems recruiting or retaining employees?
- 11-10. **Compensation:** Please refer to page 23, lines 4 through 11 of the pre-filed direct testimony of Lynne Harkel-Rumford. Did the WorldatWork survey find that the 15% of Companies that did not use short-term incentive compensation plans incurred higher compensation costs than those that did not?
- 11-11. **Compensation:** Please refer to page 23, lines 4 through 11 of the pre-filed direct testimony of Lynne Harkel-Rumford. Did the WorldatWork survey find that the 15% of Companies that did not use short-term incentive compensation plans had problems maintaining employee productivity?
- 11-12. **Compensation:** Please refer to page 23, lines 4 through 11 of the pre-filed direct testimony of Lynne Harkel-Rumford. Did the WorldatWork survey, address issues related to employee recruiting, retention, compensation rates, or productivity? If so, provide those results.
- 11-13. **Compensation:** Please refer to Figure 1 on page 24 of the pre-filed direct testimony of Lynne Harkel-Rumford. Please explain whether the market median amounts are based on national compensation data, regional compensation data, or local compensation data.
- 11-14. **Compensation:** Please refer to the chart at the top of page 26 of the pre-filed direct testimony of Lynne Harkel-Rumford. Please provide the dollar amount for each STI goal included in the cost of service (pro forma operating expense) and the amount included in rate base in this case. Please show the amounts directly incurred at CEHE and the amounts allocated and assigned to CEHE separately.
- 11-15. **Compensation:** Please reference the pre-filed direct testimony of Lynne Harkel-Rumford. Please provide the dollar amount for each STI goal expensed and the amount for each goal capitalized during the test year.
- 11-16. **Compensation:** Please refer to the chart on page 26 of the pre-filed direct testimony of Lynne Harkel-Rumford. Please provide the dollar amount of expenses for each STI goal at target levels.
- 11-17. **Compensation:** Please provide the amount of LTI included in test year expenses separately identifying amounts included for the CEHE plans and amounts assigned or allocated to CEHE, and showing for each the amounts for performance shares and the amounts for restricted stock awards.

- 11-18. **Compensation:** Please provide the amount of LTI capitalized during the test year separately identifying amounts included for the CEHE plans and amounts assigned or allocated to CEHE, and showing for each the amounts for performance shares and the amounts for restricted stock awards.
- 11-19. **Compensation:** Please provide the amount of LTI expenses included in the revenue requirement separately identifying amounts included for CEHE compensation and amounts assigned or allocated to CEHE, and showing for each the amounts for performance shares and the amounts for restricted stock awards.
- 11-20. **Compensation:** Please provide the amounts related to non-deductible compensation included in the revenue requirements, separately identifying amounts included for CEHE compensation and amounts assigned or allocated to CEHE, and showing for each the amounts by each type of compensation, such as salary, STI, LTI, pensions, benefits, etc.
- 11-21. **Compensation:** Please identify and provide any studies performed by or reviewed by the Company comparing the cost effectiveness of using non-deductible compensation compared to other means of obtaining the Company's operating goals.
- 11-22. **Compensation:** Harkel-Rumford at p 14. Please provide a list of every management/professional level employee that the company lost during the test year as a result of taking a higher paid position at another company.
- 11-23. **Compensation:** Please provide a list of all employees recruited from both inside and outside the state during the last five-year period. Of these employees, please identify the managerial and professional employees that were recruited from out of state during this past five-year period.
- 11-24. **Compensation:** Please reference Harkel – Rumford WP LRH-3 *Market Compensation Survey Data Comparison to CNP* and provide the following information:
- a. Regarding the schedule on page 2 of the exhibit, for each Job Level listed in Column A, please provide the total level of wages included in pro forma rate base in this case.
  - b. Regarding the schedule on page 2 of the exhibit, for each Job Level listed in Column A, please provide the total level of wages included in pro forma operating expense in this case.
  - c. Regarding the schedule on page 2 of the exhibit, for each Job Level listed in Column A, please identify whether the Company used primarily “national” survey data or regional survey data, as described at page 14, lines 21 through top of page 15 Ms. Harkel-Rumford's testimony.
  - d. Regarding the schedule on page 2 of the exhibit, please provide this same information and in the same format for CEHE employees only, unless they are already included in WP LRH-3 Market Compensation Survey Data Comparison to CNP.

- e. Regarding the schedule on page 2 of the exhibit, please provide this same information and in the same format for Shared Services employees only, unless they are already included in WP LRH-3 Market Compensation Survey Data Comparison to CNP.
- 11-25. **Compensation:** Please describe the thresholds that must be achieved each year for the STI plan to be funded.
- 11-26. **Self-Insurance Reserve:** Please reference Wilson at page 6. Could the current reserve deficit of \$5.791 million be corrected with a one-time transfer from the EDIT reserve?
- 11-27. **Self-Insurance Reserve:** Please reference Wilson at page 6. Is the current reserve deficit of \$5.791 million included in rate base in this case?
- 11-28. **Vegetation Management:** Reference Pryor at WP-1, page 1 of 3. Please provide the information in this table in the same format for the first quarter of 2019 and the first quarters of 2011 through 2018.