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

BEFORE THE STATE OFFICE
PUBLIC UTILITY COMMISSION
OF
ADMINISTRATIVE HEARINGS

ALLIANCE FOR RETAIL MARKETS' THIRD REQUEST FOR INFORMATION
TO CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the Alliance for Retail Markets (ARM) requests CenterPoint Energy Houston Electric, LLC (CenterPoint), as defined in this Third Request for Information (RFI), to respond to the questions and sub-questions in this RFI under oath. Please answer the questions and sub-questions in the order in which they are submitted, and include sufficient detail to provide a complete and accurate response. Also, please state the name of the witness who will sponsor the response to each question and sub-question and who can vouch for the truth of the response.

Definitions

As used in this RFI:

- (1) "CenterPoint", "Company", and "Applicant" refer to CenterPoint Energy Houston Electric, LLC and its affiliates, and any person acting or purporting to act on their behalf.
- (2) "CenterPoint Energy Inc." is the parent company of CenterPoint Energy Houston Electric, LLC (as defined above).
- (2) "You", "yours" and "your" refer to CenterPoint Energy Houston Electric, LLC (as defined above), including its directors, officers, employees, consultants, agents, and attorneys.
- (3) "Document", "documents", and "documentation" mean any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tapes, film, electronic facsimile, computer storage device or any other media, including, but not limited to, electronic mail (email), memoranda, notes, analyses, minutes, presentations, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements,

notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers, observations, commercial practice manuals, reports and summaries of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form.

- (4) “Test Year” refers to the 12-month period ending December 31, 2018.

Instructions

1. The Definitions, Instructions, and Claim of Privilege set forth in this RFI apply to these questions.
2. In answering these questions, furnish all information available to you, including information in the possession of your agents, employees, and representatives, all others from whom you may freely obtain it, and your attorneys and their investigators.
3. Please answer each question based upon your knowledge, information, or belief, and any answer that is based upon information or belief should state that it is given on that basis.
4. If you have possession, custody, or control (as defined by Tex. R. Civ. P. 192.7(b)) of the originals of these documents requested, please produce the originals or a complete copy of the originals and all copies that are different in any way from the original, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of the originals of the documents requested, please produce copies of the documents in your possession, custody, or control. If any document requested is not in your possession or subject to your control, please explain why not, and identify the present location and custodian of any copy or summary of the document.
6. If any question appears confusing or the scope of the question is unclear, please request clarification from the undersigned counsel.
7. In providing your responses, please start each response on a separate page and copy, at the top of the page, the question and any sub-questions being answered followed by the answer(s) to each.
8. As part of the response to each question, please state, at the bottom of the answer, the name and job position of each person who participated in any way, other than providing clerical

assistance, in the preparing of the answer. If the question has sub-parts, please identify the person or persons by sub-part. Please also state the name of the witness in this docket who will sponsor the answer to the question and who can vouch for the truth of the answer. If the question has sub-parts, please identify the witness or witnesses by sub-part.

9. Rather than waiting to provide all of the responses at the same time, please provide individual responses as each becomes available.
10. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer between the time of your original response and the time of the hearings, then you should submit, under oath, a supplemental response to your earlier answer.
11. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please call the undersigned counsel as soon as possible in order to discuss the situation and to try to resolve the problem. Likewise, if you object to any of the questions on the grounds that the question seeks confidential information, or on any other grounds, please call the undersigned counsel as soon as possible.
12. If the response to any question is voluminous, please provide separately an index to the materials contained in the response.
13. If the information requested is included in previously furnished exhibits, workpapers, or 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.
14. Data should be provided in native electronic format including active EXCEL workbooks and all linked workbooks, with all formulas, cell references, links, etc., intact, functioning, and complete for all tables, figures, and attachments in the testimony.
15. To the extent that a question asks for the production of copyrighted material, it is sufficient to provide a listing of such material, indicating the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

Claim of Privilege

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, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed.

Respectfully submitted,



Stephen J. Davis
State Bar No. 05547750

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**ATTORNEY FOR
ALLIANCE FOR RETAIL MARKETS**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served upon all parties on May 8, 2019 by first class mail.



Stephen J. Davis

**SOAH DOCKET NO. 473-19-3864
PUC DOCKET NO. 49421**

**ALLIANCE FOR RETAIL MARKETS'
THIRD REQUEST FOR INFORMATION TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

- ARM 3-1:** Refer to your response to Staff RFI 1-27. Please identify the monthly base rate through which CenterPoint proposes to continue to recover the ERCOT transmission system payments addressed in the response.
- ARM 3-2:** If CenterPoint removed the ERCOT transmission system payments from base rates and recovered those costs through its transmission cost recovery factor (TCRF), what are the resulting TCRF rates for each rate class? Please provide a side-by-side comparison of those TCRF rates and CenterPoint's current TCRF rates according to rate class.
- ARM 3-3:** Please explain why CenterPoint chose a three-year amortization period for its proposed Unprotected Excess Deferred Income Tax (UEDIT) Rider. In your response, please specify any applicable Internal Revenue Service (IRS) regulations, accounting rules, and other guidelines or requirements justifying the three-year amortization period.
- ARM 3-4:** Please calculate the UEDIT Rider credits for each rate class based on a two-year amortization period. Please provide a side-by-side comparison of those UEDIT Rider credits and the proposed UEDIT Rider credits in CenterPoint's application
- ARM 3-5:** In the Direct Testimony of Julienne P. Sugarek (Bates Page 680, Lines 16-19), she states, "CenterPoint Houston will purchase any energy needed to charge the batteries...." Will CenterPoint purchase this energy through a retail electric provider (REP)? If not, please explain the energy procurement process CenterPoint will use to charge the batteries and the statutory authority supporting a transmission and distribution utility's use of such a process.
- ARM 3-6:** Will the energy used to charge the voltage regulation battery be metered?
- ARM 3-7:** Will the energy discharged by the voltage regulation battery be metered?
- ARM 3-8:** Will the voltage regulation battery consume energy during the charging and discharging process?
- ARM 3-9:** Would energy discharged by the voltage regulation battery be consumed by retail load on the grid?
- ARM 3-10** In the Direct Testimony of Julienne P. Sugarek (Bates Page 680, Lines 20-23—Bates Page 681, Line 1), she states the competitive market could provide a voltage

solution equivalent to CenterPoint's request in this docket. Is the installment and operation of a voltage regulation battery a business activity capable of provision on a competitive basis in the retail market? Please specify the rationale for your response.