

Control Number: 49421



Item Number: 147

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SOAH DOCKET NO. 473-19-3864

PUC DOCKET NO. 49421

2019 MAY 10 PM 2:52

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

BEFORE THE STATE OFFICE
PUBLIC UTILITY COMMISSION
FILING CLERK OF
ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION TO
OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
QUESTION NOS. STAFF 8-1 THROUGH 8-15**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the Commission Staff of the Public Utility Commission of Texas (Commission) requests that CenterPoint Energy Houston Electric, LLC, by and through their attorneys of record, provide the following information and answer the following question(s) under oath. The questions shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 10 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

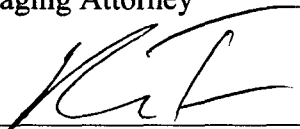
Dated: May 10, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on May 10, 2019, in accordance with 16 TAC § 22.74.



Rustin Tawater

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DEFINITIONS

- 1) "CEHE" or "you" refers to CenterPoint Energy Houston Electric, LLC and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

- 2) "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do exist and these documents will be provided.

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INSTRUCTIONS

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) 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.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) 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.
- 7) Pursuant to 16 TAC § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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**COMMISSION STAFF'S EIGHTH REQUEST FOR INFORMATION TO
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Regulatory Assets and Liabilities

Staff 8-1 Please provide the adjustments to CenterPoint's request in this docket, by FERC account, that would be required to remove entirely CenterPoint's regulatory asset associated with Margin Tax. Include both the asset and expenses amounts by FERC account.

Staff 8-2 For each regulatory liability, please identify all amounts, by FERC account, included in the Company's request relating to the regulatory liability. Include both the asset and expense amounts by FERC account for each regulatory liability. Please identify the period of amortization for each regulatory liability for which amortization is included in rates in CenterPoint's request.

Gains on Losses on Disposition of Land and Property

Staff 8-3 Please identify each gain or loss on the sale of land or property during the test year. For each gain or loss, please identify the amount of the gain or loss; the amount of the gain or loss reflected in rate, by FERC account; and a justification for the Company's proposed treatment in rates.

Incentive Compensation

Staff 8-4 Refer to CenterPoint's response to Staff 03-01. Please explain why some of the short-term incentive compensation for affiliates was capitalized, when no short-term incentive compensation for CenterPoint employees and no long term-incentive compensation for either the Company or its affiliates were capitalized.

Staff 8-5 Please refer to the testimony of Kristie Colvin at pages 13-14 and 21-22, as well as to CenterPoint's response to Staff 03-01. Please provide separately the amount of affiliate and direct short-term incentive compensation included in each wage adjustment by metric and by FERC account. Are the adjustments related to affiliate and direct short-term incentive payroll included in the amounts reflected in CenterPoint's response to Staff 03-01.

Staff 8-6 Refer to WP V-K-6.1. Please explain how much, if any, of the amount of \$1,578,220 in FERC Account No. 107 (relating to short-term incentive compensation paid to affiliates) is included in the Company's requested plant in service, or is otherwise requested in rates in this proceeding.

Staff 8-7 Refer to Schedule II-D-3.6.1a. Please explain in detail what the metric entitled "Overall O&M Expenditures is and how it is calculated. Is the payment trigger or the amount of payment dependent on an accounting or financial metric that is

included in or affects the Company's balance sheet or income statement? Please explain and justify why the Company thinks this is an operational metric and not a financially based metric.

Staff 8-8 Please provide the amount of financially-based incentive compensation included in the Company's requested rate base since the end of its Docket No. 38339, December 31, 2009 test year by year, by FERC account, and by plan type.

Staff 8-9 Please provide the amount of requested depreciation expense associated with the financially-based incentive compensation and included in the Company's requested rate base by FERC account and by plan type.

Staff 8-10 Please provide the amount of accumulated depreciation associated with the financially-based incentive compensation included in the Company's requested rate base since the end of its Docket No. 38339, December 31, 2009 test year by FERC account and by plan type.

Staff 8-11 Please provide the amount of ADFIT and excess ADFIT associated with the financially-based incentive compensation included in the Company's requested rate base since the end of its Docket No. 38339, December 31, 2009 test year by FERC account and by plan type.

Staff 8-12 Please refer to Staff 08-08 through 08-11. If other attendant revenue requirement impacts are quantified related to the financially-based incentive compensation and included in the Company's requested rate base since the end of its Docket No. 38339, December 31, 2009 test year, please identify and quantify by FERC account and by plan type.

Administrative and General Expenses

Staff 8-13 Please provide the details, at the subaccount level, for total expense in FERC Account Nos. 920, 925, and 930.2 for each year from 2014 through 2018.

Miscellaneous

Staff 8-14 Please reference the Microsoft (MS) Excel workbook "*CEHE RFP Workpapers (redacted)*" filed with CenterPoint Energy Houston Electric, LLC's (CEHE's) April 5, 2019 application. In MS worksheet "WP II-E-4.1.1," CEHE shows The *Original Amount to be Amortized* amount of \$64,406,143 associated with the regulatory asset balance related to the Hurricane Harvey restoration cost (Hurricane Harvey Regulatory Asset). This Hurricane Harvey Regulatory Asset amount of \$64,406,143 was derived from MS worksheet "*WP II-B-12b Hurricane Harvey*" in the same MS workbook "*CEHE RFP Workpapers (redacted)*".

Please, respond the following questions:

- a) Does the Hurricane Harvey Regulatory Asset amount of \$64,406,143 include carrying costs?;

- b) If the answer to part “a” of this question is “yes,” please provide, in electronic spreadsheet format with cell references and formulae intact, the calculation of such carrying costs;
- c) If the answer to part “a” of this question is “no,” has CEHE included any carrying charges associated with the Hurricane Harvey Regulatory Asset amount of \$64,406,143 somewhere in its April 5, 2019 application? If “yes,” please indicate where in CEHE’s April 5, 2019 application such carrying charges were included and provide in, electronic spreadsheet format with cell references and formula intact, the calculation of such carrying charges;
- d) If CEHE has not included anywhere in its April 5, 2019 filing carrying charges associated with the Hurricane Harvey Regulatory Asset amount of \$64,406,143, please explain why?; and
- e) If CEHE has not included anywhere in its April 5, 2019 filing carrying charges associated with the Hurricane Harvey Regulatory Asset amount of \$64,406,143 and believes that such carrying charges should be included, please provide in electronic spreadsheet format with cell references and formula intact, the amount of carrying charges that the Company believes that should be recovered in rates.

Staff 8-15 Please refer to the Company’s response to Staff 1-31. Please explain the variance between the Company’s reported transmission export revenues of \$1,810,951 and the calculated revenues in the following table:

<u>Docket</u>	<u>Test Year Effective day</u>	<u>Test Year End date</u>	<u>On-peak hourly rate</u>	<u>Off-peak hourly rate</u>	<u>ERCOT Export</u>		<u>Off-peak Rev</u>	<u>On-peak Rev</u>	<u>Total Rev</u>
					<u>On-peak MWh</u>	<u>Off-peak MWh</u>			
47610	1/1/2018	4/26/2018	0.001965	0.000657		579,787	\$380.920	\$0	\$380.920
48065	4/27/2018	7/10/2018	0.001755	0.000587	246.629	219.818	\$129.033	\$432.834	\$561.867
48389	7/11/2018	11/25/2018	0.001962	0.000656	440.101	150,272	\$98,578	\$863.477	\$962.056
48708	11/26/2018	12/31/2018	0.001975	0.00066		51,242	\$33.820	\$0	\$33,820
TY TOTAL									\$1,938.662