

Control Number: 49421



Item Number: 27

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

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

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COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO
OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
QUESTION NOS. STAFF 3-1 THROUGH 3-21

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 20 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.

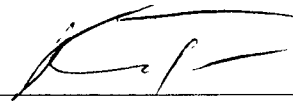
Dated: April 18, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

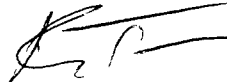


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**SOAH DOCKET NO. 473-19-3864
PUC DOCKET NO. 49418**

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 18, 2019, in accordance with 16 TAC § 22.74.



Rustin Tawater

**SOAH DOCKET NO. 473-19-3864
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**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO
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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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**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO
OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
QUESTION NOS. STAFF 3-1 THROUGH 3-21**

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 THIRD REQUEST FOR INFORMATION TO
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QUESTION NOS. STAFF 3-1 THROUGH 3-21**

Payroll

Staff 3-1

Please identify—by FERC account, by incentive plan type (short-term, long-term, etc.), and by entity (CenterPoint, specific affiliate, etc.)—all amounts included in rates in CenterPoint's request relating to financially-based incentive compensation. For the purposes of answering this RFI, consider incentive compensation to be financially-based if the incentive compensation's payment or amount of payment is based, in whole or in part, on the achievement of any financial metric, including any balance sheet metric, income sheet metric, blended metric, or other financial amount. For the purpose of answering this RFI, any incentive compensation which involves both financial and operational metrics shall be considered to be financially-based incentive compensation.

Staff 3-2

Please provide the amounts paid in the test year, by FERC account and by salary grade (e.g. executive, vice-president, management, supervisory, regular/non-supervisory, etc.), for financially-based incentive compensation. For each salary grade (e.g. executive, vice-president, management, supervisory, regular/non-supervisory, etc.), please provide the amount of financially based-incentive compensation as a percentage of base salary.

Staff 3-3

Please provide copies of CenterPoint's Incentive Compensation Plan for each type of incentive compensation (short-term, long-term, etc.) for 2018 and for 2019. Please also provide, for any affiliate for whom there is any amount of incentive compensation included in CenterPoint's requested rates, copies of the Incentive Compensation Plan for each type of incentive compensation (short-term, long-term, etc.) for 2018 and for 2019.

Staff 3-4

Please provide, by FERC account, information for payroll expenses for calendar years 2017 and 2016.

Regulatory Assets and Liabilities

Staff 3-5

Please provide the adjustments to CenterPoint's request in this docket, by FERC account, that would be required to reflect amortization of CenterPoint's regulatory assets associated with Hurricane Harvey over a five-year period.

Staff 3-6

Please provide the adjustments to CenterPoint's request in this docket, by FERC account, that would be required to reflect amortization in rates of all of CenterPoint's unprotected excess ADFIT over a five-year period.

Staff 3-7

Please provide the adjustments to CenterPoint's request in this docket, by FERC account, that would be required to reflect amortization of all of CenterPoint's

regulatory assets and liabilities over a five-year period, excluding only regulatory assets or liabilities whose amortization over the period is otherwise prohibited (e.g. protected excess ADFIT) and identifying all exclusions.

LED lighting proposal

- Staff 3-8** With respect to the Company's proposed changes to its lighting tariffs to mandate LED lamp types for replacements and new installations, please identify the different alternatives the Company considered with respect to lamp types and customer discretion in developing its proposal. Please separately discuss the alternative lamp types and policies considered with respect to replacements and new installations.
- Staff 3-9** Please provide all analyses, studies, and reports that the Company used to arrive at the decision to choose, from among alternatives considered by the Company, mandatory LED lamp types for replacements and switch to LED lamp types as the standard under the Company's lighting tariffs.
- Staff 3-10** Please provide an economic analysis or cost-benefit analysis that demonstrates that the Company's proposed switch to LED lamps as the standard lamp type is the most cost-effective alternative for lighting customers. Please consider all the components of the lighting cost of service in the analysis.
- Staff 3-11** For each lighting class, please explain all the adjustments to the TY load data and cost information in the cost study that were performed by the Company, if any, to make the cost study for that lighting class more representative of conditions that are apt to prevail during the rate year, when LED lamps will be the standard for new installations and replacements.
- Staff 3-12** Please clarify whether under the Company's proposal the customer will have the discretion to opt out of an LED lamp type in favor of a non-LED lamp type.
- Staff 3-13** Please discuss the availability and relative costs of non-LED lamp types and the Company's expectations about the availability of non-LED lamp types in the near future.
- Staff 3-14** Please provide all copies of analyses performed by the Company regarding the impact on shareholder earnings resulting from the proposed switch in lighting policy, toward mandatory LED lamp types.
- Staff 3-15** In her testimony, Julianne Sugarek states that under the Company's current practice, lamps that fail are replaced with LED as part of the normal replacement cycle. Can the Company please explain the current practice with regards to the use of LED lamp types as part of the replacement cycle and explain how, if at all, this policy would change under the Company's proposal in this case? Also, please identify the docket number of the proceeding in which the current default replacement policy of replacing non-LED with LED lamp types was approved by the Commission.

- Staff 3-16** Please provide copies of all communications with lighting customers in which customers expressed support for the different aspects of the Company's LED lighting proposals in this case, if any.
- Staff 3-17** With respect to the Company's request to have the option to purchase batteries for the purpose of voltage regulation, is the Company in this proceeding requesting a pre-determination as to how the costs of any such battery facilities would be assigned and allocated among customer classes?
- Staff 3-18** With respect to the Company's request to have the option to purchase batteries for the purpose of voltage regulation, and assuming the request were granted, is the Company planning on separately tracking the costs of any battery facilities installed to facilitate the assignment and allocation of the costs in future proceedings? If not, why not?
- Staff 3-19** Please refer to Exhibit MAT-8, Redlined Chapter 2 & 6, at 38. "Conversion to LED. Existing non-LED Lamps will be converted to their LED-equivalent at no cost to Retail Customer." Please explain how CEHE plans to recover the costs of the referenced lamp replacements. Please indicate where the costs are included in the cost study, and explain the cost allocation treatments associated with the costs.

Weather Normalization

- Staff 3-20** Please provide the monthly sales data from 2008-2018 for each customer class where there was a weather adjustment.
- Staff 3-21** Please provide the billing cycle lengths from 2008-2018.