



Control Number: 49421



Item Number: 344

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

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

May 28, 2019

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**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**CITY OF HOUSTON
REQUEST NO.: COH20-01**

QUESTION:

Please refer to page 21, lines 3 through 5 of the Direct Testimony of Kristie L. Colvin. Please identify and describe the specific items being removed in the pension deferral adjustment, the reason the items are being removed, a reference to the tariff approved for the alternative means of recovery for those items, and any changes in the recovery mechanism the Company is proposing for those items in this rate case.

ANSWER:

The items being removed in the pension deferral adjustment are Advance Metering System, Energy Efficiency Cost Recovery Factor and Smart Meter Texas costs. These costs are authorized for recovery by the following list of dockets and rulings.

6.1.1.6.8 Rider AMS - Advanced Metering System:

Substantive Rule §25.130

Docket No. 35639 Application for Deployment Plan and request for surcharge

Docket No. 38339 Order on Rehearing Findings of Fact 205 through 245: AMS Reconciliation from 1/2009 through 3/2010

Docket No. 42084 AMS Reconciliation from 4/2010 through 9/2013

Docket No. 47364 AMS Final Reconciliation

6.1.1.6.9 Rider EECRF - Energy Efficiency Cost Recovery Factor:

Substantive Rule §25.181

Docket No. 38213 Ordering Paragraph 1(a): 2011 Program Costs

Docket No. 39363 Ordering Paragraph 1(a): 2012 Program Costs

Docket No. 40356 Ordering Paragraph 2(a): 2013 Program Costs

Docket No. 41540 Findings of Fact 23 and Ordering Paragraph 2: 2014 Program Costs

Docket No. 42560 Findings of Fact 13 and Ordering Paragraph 2: 2015 Program Costs

Docket No. 44783 Ordering Paragraph 2(a): 2016 Program Costs

Docket No. 46014 Ordering Paragraph 2(a): 2017 Program Costs

Docket No. 47232 Ordering Paragraph 2(a): 2018 Program Costs

Smart Meter Texas:

Substantive Rule §25.130 (d), (g) and (j)

Docket No. 47364 Findings of Fact 13(e) and Ordering Paragraph 3

SPONSOR (PREPARER):

Kristie Colvin (Kristie Colvin)

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**CITY OF HOUSTON
REQUEST NO.: COH20-02**

QUESTION:

Please refer to WP LHR-3 Market Compensation Survey Data Compared to CNP.xlsx, tab Mkt vo. CNP Comp. Please provide the breakdown of this headcount at each job level for CEHE, Service Company, and each affiliate with costs allocated or assigned to CEHE. Please provide the job location for each identified group.

ANSWER:

Please see response to COH11-24 (d) and (e) for a breakout by CenterPoint Houston Electric, CenterPoint Energy Service Company (affiliate) and Entex (affiliate). See attached file for details of the work locations of the employees.

- COH20-02 Employee Locations.xls

SPONSOR (PREPARER):

Lynne Harkel-Rumford (Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

COH20-02 Employee Locations.xls

Job Level	Work City	Total
Administrative Support	BAYTOWN	6
	BELLAIRE	6
	CLUTE	1
	CYPRESS	11
	GALVESTON	5
	HOUSTON	155
	HUMBLE	7
	KATY	3
	ROSENBERG	2
Administrative Support Total		196
Director	BAYTOWN	1
	BELLAIRE	1
	HOUSTON	24
	KATY	1
Director Total		27
Manager	BAYTOWN	2
	BELLAIRE	2
	CYPRESS	3
	GALVESTON	1
	HOUSTON	70
	HUMBLE	1
	KATY	3
	ROSENBERG	1
Manager Total		83
Officer	HOUSTON	5
Officer Total		5
Professional	BAYTOWN	13
	BELLAIRE	17
	CYPRESS	22
	GALVESTON	3
	HOUSTON	652
	HUMBLE	10
	KATY	10
	NEW BRAUNFELS	2
	ROSENBERG	7
Professional Total		736
Supervisor	BAYTOWN	5
	BELLAIRE	5
	CLUTE	2
	CYPRESS	6
	GALVESTON	3
	HOUSTON	181
	HUMBLE	4
	KATY	3
	ROSENBERG	3
Supervisor Total		212
Technical/Skilled Trades	CYPRESS	5
	HOUSTON	88
	NEW BRAUNFELS	1
Technical/Skilled Trades Total		94
Grand Total		1,353

Job Level	Work State	Work City	Total
Administrative Support	AR	DEQUEEN	1
		HOT SPRINGS	1
		JONESBORO	2
		LITTLE ROCK	5
		PINE BLUFF	1
	LA	BROUSSARD	1
		SHREVEPORT	19
	MN	MANKATO	2
		MINNEAPOLIS	4
	MS	BYRAM	1
		GULFPORT	2
	OK	MCALESTER	1
		TX	AUSTIN
	BAYTOWN		1
	HOUSTON		462
	LAREDO		2
	LONGVIEW		3
Administrative Support Total			510
Director	AR	LITTLE ROCK	2
		LA	BATON ROUGE
	MN	MINNEAPOLIS	2
	TX	AUSTIN	1
		HOUSTON	58
Director Total			64
Manager	MN	MINNEAPOLIS	9
		TX	AUSTIN
	BAYTOWN		1
	HOUSTON		134
Manager Total			145
Officer	TX	AUSTIN	1
		HOUSTON	28
Officer Total			29
Professional	AR	JONESBORO	1
		LITTLE ROCK	3
		TEXARKANA	1
	LA	SHREVEPORT	8
		MN	MINNEAPOLIS
	MS	BYRAM	1
	TX	AUSTIN	2
		HOUSTON	527
		HUMBLE	2
Professional Total			586
Supervisor	AR	LITTLE ROCK	1
		LA	SHREVEPORT
	MN	MANKATO	1
		MINNEAPOLIS	10
	TX	BAYTOWN	1
		HOUSTON	69
		LONGVIEW	1
		MINEOLA	1
Supervisor Total			86
Technical/Skilled Trades	TX	HOUSTON	29
Technical/Skilled Trades Total			29
Grand Total			1,449

Job Level	Work State	Work City	Total
Administrative Support	TX	HOUSTON	8
Administrative Support Total			8
Director	TX	HOUSTON	1
Director Total			1
Manager	TX	HOUSTON	2
Manager Total			2
Professional	TX	HOUSTON	24
		NEW BRAUNFELS	1
Professional Total			25
Supervisor	TX	HOUSTON	8
Supervisor Total			8
Technical/Skilled Trades	TX	BAYTOWN	1
		HOUSTON	31
Technical/Skilled Trades Total			32
Grand Total			76

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**CITY OF HOUSTON
REQUEST NO.: COH20-03**

QUESTION:

Please refer to WP LHR-3 Market Compensation Survey Data Compared to CNP.xlsx, tab Mkt vo. CNP Comp. Please explain in detail on how Column D - Market 50th Percentile Total Salaries totals by row were developed. It appears from the way the data is presented that the Market 50th Percentile Total Salaries is calculated using the same number of CNP head counts by Job Level. This then implies that there is a Market average salary for job level the same or similar to CNP. Is this true?

ANSWER:

See the response to COH20-04 for detail on how the data in Column D was developed. In terms of head count, the head counts by Job Level vary and are shown in Column B. The market average salary is shown on the "Market Comparison" tab in WP LHR-3 Market Compensation Survey Data Compared to CNP.xlsx and it shows the average CNP Base Salary (Column C) is at 98% (Column E) of the average Market 50th Percentile Base Salary (Column D). Stated differently, the data shows the average CNP Base Salary is 2% below the average Market 50th Percentile Base Salary. The amounts shown on the "Mkt vs. CNP Comp" tab are not averages and instead show total salaries. Average CNP Base Salaries could be calculated by dividing the salary totals in Column C by the CNP Head Count totals in Column B by Job Level. Note that the Grand Total shows that CNP Total Base Salaries are 2% below the Market 50th Percentile Total Salaries. This 2% difference in total salaries ties or correlates to the 2% difference shown on the "Market Comparison" tab.

SPONSOR (PREPARER):

Lynne Harkel-Rumford (Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**CITY OF HOUSTON
REQUEST NO.: COH20-04**

QUESTION:

Please refer to WP LHR-3 Market Compensation Survey Data Compared to CNP.xlsx, both tabs.
Please provide the detail used to calculate the market average salaries.

ANSWER:

Please see attachment COH20-04 Market Data by Job (Confidential).xlsx

The attachment is confidential and is being provided pursuant to the Protective Order issued in Docket No. 49421.

The requested information is voluminous and will be provided to the propounding party only in electronic format on CD. Please contact Alice Hart at (713) 207-5322 to request a copy of the CD. Please see index of voluminous material below.

Date	Title	Preparer	Page #
	Undated Market Data by Job Summary	Lynne Harkel-Rumford	1-1
	Undated Market Data by Job Detail	Lynne Harkel-Rumford	2-275

SPONSOR (PREPARER):

Lynne Harkel-Rumford (Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

COH20-04 Market Data by Job (Confidential).xlsx

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**CITY OF HOUSTON
REQUEST NO.: COH20-05**

QUESTION:

Please refer to WP LHR-3 Market Compensation Survey Data Compared to CNP.xlsx. The Meridian Survey provided a CNP total headcount of 7,977, but WP LHR-3 shows a headcount of only 5,171. Please identify the employees that are not included on WP LHR-3.

ANSWER:

Refer to the first Note on each tab of WP LHR-3. Employees excluded from WP LHR-3 Market Compensation Survey Data Compared to CNP.xlsx are the Chairman of the Board and all part-time, temporary, seasonal and union employees.

SPONSOR (PREPARER):

Lynne Harkel-Rumford (Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**CITY OF HOUSTON
REQUEST NO.: COH20-06**

QUESTION:

Please refer to WP LHR-3 Market Compensation Survey Data Compared to CNP.xlsx. Please explain why part time, temporary, seasonal and union employees excluded?

ANSWER:

Due to the nature of these positions, these groups are excluded from any internal company analyses comparing current compensation to the market. Compensation for temporary employees is not comparable to regular full-time employees. For example, temporary employees do not receive health and welfare benefits nor are they eligible for short-term incentive compensation. In addition, CenterPoint Energy does not develop and assign Market Reference Points for all temporary and union positions as it does for non-union full time regular employees. Union employees are paid per the labor contract. CenterPoint Energy does, however, refer to compensation surveys during any labor contract negotiations.

SPONSOR (PREPARER):

Lynne Harkel-Rumford (Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
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**CITY OF HOUSTON
REQUEST NO.: COH20-07**

QUESTION:

Please refer to WP LHR-3 Market Compensation Survey Data Compared to CNP.xlsx. The management to staff count ratio is 21%. What is the management to staff ratio for Market?

ANSWER:

The market data for management to staff ratio is not available because it is not provided in the compensation surveys. However, the ratio of 21% does not reflect all of the employees who are supervised by management because the summary does not include temporary, seasonal, part-time and union employees. Approximately 2,800 union, temporary, seasonal and part-time employees are not included in the analysis.

SPONSOR (PREPARER):

Lynne Harkel-Rumford (Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

None

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
2019 CEHE RATE CASE
DOCKET 49421-SOAH DOCKET NO. 473-19-3864**

**CITY OF HOUSTON
REQUEST NO.: COH20-08**

QUESTION:

Please provide any studies performed by or for CEHE comparing CEHE to the industry for total compensation compared to the miles of transmission and distribution line, the number of customers served, and the size of the service territory.

ANSWER:

CEHE has not performed any of the requested studies, nor have such studies been performed for CEHE.

SPONSOR (PREPARER):


Lynne Harkel-Rumford (Lynne Harkel-Rumford)

RESPONSIVE DOCUMENTS:

None

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of May 2019, a true and correct copy of the foregoing document was served on all parties of record in accordance with 16 Tex. Admin. Code § 22.74.

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