

Control Number: 49421



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SOAH DOCKET NO. 473-19-3864

PUC DOCKET NO. 49421

FILED IN 2:44

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

**GULF COAST COALITION OF CITIES'
SECOND REQUEST FOR INFORMATION TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

The Gulf Coast Coalition of Cities (GCCC) files this Second Request for Information (RFI) to CenterPoint Energy Houston Electric, LLC (CenterPoint or Company) in the above-styled docket. CenterPoint is hereby requested to furnish one copy of all items of information enumerated on the attached sheets directly to the undersigned attorney at the offices of Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 within twenty (20) calendar days. These requests shall be deemed continuing so as to require further and supplemental responses if CenterPoint receives or generates additional information within the scope of these requests between the time of the original response and the time of the hearing. Also, where data is requested, provide it in hard copy and Excel format with all formulas intact.

DEFINITIONS AND INSTRUCTIONS

A. "CenterPoint," "Applicant," or "CEHE" refers to CenterPoint Energy Houston Electric, LLC, its parents, affiliates and subsidiaries, and any person acting or purporting to act on its behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

B. The term "document" shall have the broadest meaning possible under the Texas Rules of Civil Procedure and shall include, but not be limited to, the original (or a copy when the original is not available), each non-identical copy (including those which are non-identical by reason of notations or marking, or by appearing in the files of a separate person), and any books, notebooks, pamphlets, periodicals, letters, reports, memoranda, handwritten notes, notations, messages, telegrams, wires, cables, press or news wire releases, records, studies, analyses, summaries, magazines, booklets, circulars, catalogs, bulletins, instructions, operating or maintenance manuals, operating or product specifications, fabrication sheets, test data, design specifications, parts lists, calendars, day-timers, notes or records of meetings, notices, purchase orders, bills, ledgers, checks, tabulations, questionnaires, surveys, drawings, sketches, schematics, blueprints, flow sheets, working papers, charts, graphs, indices, tapes, agreements,

releases, appraisals, valuations, estimates, opinions, financial statements, accounting records, income statements, photographs, films or videotapes, back-up tapes, minutes, contracts, leases, invoices, records of purchase or sale, correspondence, electronic or other transcription or tapings of or notes pertaining to telephone or personal conversations or conferences, tape recordings, electromagnetic recordings, voice mail message or transcriptions thereof, interoffice communications of all types, e-mail messages, printouts of e-mail messages, instant messages or printouts thereof, microfilms, electronic databases, CDs, DVDs, videotapes or cassettes, films, movies, computer printouts and any and all other written, printed, typed, punched, engraved, taped, filmed, recorded (electronically or otherwise), labeled, or graphic matter, of whatever description, however produced or reproduced (including computer-stored or generated data, together with instructions or programs necessary to search and retrieve such data), and shall include all attachments to (including tangible things) and enclosures with (including tangible things) any requested item, to which they are attached or with which they are enclosed, and each draft thereof. A draft of a non-identical copy is a separate document within the meaning of this term. An electronic copy of a paper document is a separate document within the meaning of this term.

C. Pursuant to Tex. R. Civ. P. 196.4, GCCC specifically requests that any electronic or magnetic data (which is included in the definition of “document”) that is responsive to a request herein be produced on CD-Rom in a format that is compatible with Microsoft Office and/or Word Perfect and be produced with your response to these requests. GCCC further requests that CenterPoint produce electronic copies of all paper documents, including any metadata attached to such documents, and produce all electronic originals or all responsive documents.

D. The terms “and” and “or” shall be construed both disjunctively and conjunctively as necessary to make the request inclusive rather than exclusive.

E. “Each” shall be construed to include the word “every” and “every” shall be construed to include the word “each.”

F. “Any” shall be construed to include “all” and “all” shall be construed to include “any.”

G. The term “concerning,” or one of its inflections, includes the following meanings: relating to; referring to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically or factually connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.

H. The term “including,” or one of its inflections, means and refers to “including but not limited to.”

I. 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.

J. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.

K. 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.

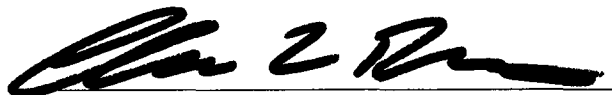
L. Pursuant to 16 Tex. Admin Code § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.

M. If the information requested is included in previously furnished exhibits, workpapers, 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.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

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ATTORNEYS FOR GULF COAST
COALITION OF CITIES

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of April 2019, a true and correct copy of the foregoing document was transmitted to the parties of record in accordance with 16 Tex. Admin. Code § 22.74.



CHRISTOPHER BREWSTER

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- GCCC 2-1 Provide the compensation expense for executives and key employees employed by Service Company and charged to CEHE pursuant to employment agreements by type or category separated into base salaries, other compensation (other than STI and LTI), and benefits, including, but not limited to: compensation tied to total shareholder return, EPS, and CNP stock price, and/or other financial and other performance metrics; and other benefits not available to all other exempt and/or non-exempt employees, such as SERP. Provide these amounts in total incurred by the Service Company and the amounts charged to CEHE. Provide all amounts by FERC account (including, but not limited to, O&M and A&G expense accounts and balance sheet accounts, including, but not limited to, plant accounts) for each calendar year 2016, 2017, and 2018.
- GCCC 2-2 Provide the compensation expense for executives and key employees employed by CEHE pursuant to employment agreements by type or category separated into base salaries, other compensation (other than STI and LTI), and benefits, including, but not limited to: compensation tied to total shareholder return, EPS, and CNP stock price, and/or other financial and other performance metrics; and other benefits not available to all other exempt and/or non-exempt employees, such as SERP. Provide all amounts by FERC account (including, but not limited to, O&M and A&G expense accounts and balance sheet accounts, including, but not limited to, plant accounts) for each calendar year 2016, 2017, and 2018.
- GCCC 2-3 Provide the incentive compensation expense incurred by the Service Company and charged to CEHE by program (STI and LTI) and by metric for each program recorded by CEHE. Provide these amounts in total incurred by the Service Company and the amounts charged to CEHE. Provide all amounts by FERC account (including, but not limited to, O&M and A&G expense accounts and balance sheet accounts, including plant accounts) for each calendar year 2016, 2017, and 2018.
- GCCC 2-4 Provide the incentive compensation expense incurred directly by CEHE by program (STI and LTI) and by metric for each program recorded by CEHE. Provide all amounts by FERC account (including, but not limited to, O&M and A&G expense accounts and balance sheet accounts, including plant accounts) for each calendar year 2016, 2017, and 2018.
- GCCC 2-5 Describe the Company's change in revenue accounting to accrue unbilled revenues, which it adopted in 1992.
- a. Confirm that this change in accounting resulted in a one-time increase in revenues compared to the prior billed revenue accounting. Provide the journal entries recorded to implement this change in accounting, including the related income tax effects.

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- b. Provide a copy of the descriptions of this change in accounting reported in the Company's 1992 10-K and 1992 Form 1.
 - c. Confirm that the Company recorded this one-time increase in revenues of \$142.697 million as an increase to income in 1992 (\$94.180 million after income taxes) and did not defer this amount as a regulatory liability.
 - d. Identify the docket(s) and describe the ratemaking treatment sought by the Company and approved by the Commission to address the one-time increase in revenues due to this change in accounting, if any. If the Company did not seek to defer and/or refund this one-time increase in revenues as a reduction in the revenue requirement for ratemaking purposes, then explain why it did not do so.
- GCCC 2-6 Refer to the Direct Testimony of Charles Pringle at 14 wherein he states: "The EDIT balance represents the amount of previously-recorded deferred income tax expense to be returned to customers." Confirm that the deferred income tax expense accumulated as ADIT, and now considered as EDIT, was recovered from customers in prior years, but not yet remitted to the federal government due to temporary differences between GAAP and the IRC in the recognition of revenues (income) and expenses (deductions). Explain your response.
- GCCC 2-7 Refer to the Direct Testimony of Charles Pringle at 17:19 through 18:4.
- a. Identify and describe all sources reviewed and/or relied on by Mr. Pringle to inform his "understanding," including, but not limited to, research prepared by or for the Company internally or by external advisors.
 - b. Provide a copy of all sources and all other materials reviewed and/or relied on by Mr. Pringle to inform his understanding, including, but not limited to, research prepared by or for the Company internally or by external advisors.
 - c. Confirm that the budgeted 2019 amortization is based on a known and certain scheduled "runout" of the EDIT at 12/31/17, except for potential adjustments such as future IRS audit adjustments, IRS rulings and/or clarifications to normalization rules.
 - d. Describe any known or pending potential adjustments due to future IRS audit adjustments, IRS rulings and/or clarifications to normalization rules.
- GCCC 2-8 Refer to the Direct Testimony of Charles Pringle at 24:14-17 wherein he describes his "understanding that this approach appropriately allocates FIT among members of the consolidated group."
- a. Identify and describe all sources reviewed and/or relied on by Mr. Pringle to inform his "understanding," including, but not limited to, research prepared by or for the Company internally or by external advisors.

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- b. Provide a copy of all sources and all other materials reviewed and/or relied on by Mr. Pringle to inform his understanding, including, but not limited to, research prepared by or for the Company internally or by external advisors.
- GCCC 2-9 Refer to the Direct Testimony of Charles Pringle at 25:28-30 wherein he describes his “understanding that it would be neither appropriate nor equitable to increase or reduce cost of service by tax costs or benefits that are not related to the rendering of utility service to customers.”
- a. Describe all sources relied on by Mr. Pringle to inform his “understanding,” including, but not limited to, research prepared by or for the Company internally or by external advisors.
 - b. Provide a copy of all sources and all other materials reviewed and/or relied on by Mr. Pringle to inform his understanding, including, but not limited to, research prepared by or for the Company internally or by external advisors.
 - c. Confirm that Mr. Pringle is providing subject matter testimony on this issue, and is not providing a legal opinion. If Mr. Pringle is providing a legal opinion, then provide a copy of all research and analyses that he performed and/or that others performed and that he reviewed and/or relied on for this legal opinion.
- GCCC 2-10 Confirm that CenterPoint Energy Houston Electric, LLC is a pass-through entity and is not a taxpayer itself for federal income tax purposes.
- GCCC 2-11 Confirm that CenterPoint Energy, Inc. is a traditional C corporation and is a taxpayer itself for federal income tax purposes.
- GCCC 2-12 Confirm that the basis for the Company’s request for recovery of income tax expense is that CenterPoint Energy, Inc. is subject to federal income tax on the income and deductions passed through from CEHE. If this is not correct, then provide a correct and comprehensive statement of the basis for the Company’s request for recovery of income tax expense despite the fact that it is a pass-through entity for federal income tax purposes.
- GCCC 2-13 Refer to the Direct Testimony of Charles Pringle at 24:14 through 25:18 wherein he addresses FERC Order No. 173, the “benefits/burdens criteria,” and the “stand-alone policy.”
- a. Provide a copy of all research reviewed and/or relied on related to FERC Order No. 173 and its applicability in this proceeding.
 - b. Provide a copy of all other research reviewed and/or relied on related to FERC decisions on recovery of income tax expense by pass-through entities.

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- c. Confirm that Mr. Pringle was aware that the FERC has issued a series of decisions whereby it disallowed income tax expense for pass-through entities. Describe and provide a copy of all research Mr. Pringle has reviewed on this issue.
- GCCC 2-14 Refer to the Direct Testimony of Charles Pringle at 33:18 through 34:3 wherein he states that the Company is treating EDIT related to removal costs as protected. Provide a copy of the request for PLR described.
- GCCC 2-15 Refer to Schedule II-E-3.19, which provides ADIT by temporary difference.
- a. Indicate which line item includes the EDIT related to removal costs.
 - b. Provide the EDIT related to removal costs at December 31, 2017 and December 31, 2018. Indicate if the amounts are asset EDIT or liability EDIT amounts.
 - c. Provide the EDIT amortization related to removal costs before and after the income tax gross-up recorded in 2018.
- GCCC 2-16 Refer to the Direct Testimony of Charles Pringle at 40:20-23 regarding the deferred income tax asset recorded on the SFAS 106 gross liability prior to the Health Care Legislation.
- a. Provide the SFAS 106 gross liability at December 31, 2018 on the Company's accounting books and the amount subtracted from rate base in this proceeding. Provide a reconciliation and a description of each reconciling difference if the amount on the Company's accounting books and the amount subtracted from rate base are different.
 - b. Provide the asset ADIT related to the SFAS 106 gross liability at December 31, 2018 on the Company's accounting books and the amount added to rate base in this proceeding. Provide a reconciliation and a description of each reconciling difference if the amount on the Company's accounting books and the amount added to rate base are different.
- GCCC 2-17 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 560, Operations Supervision and Engineering. The 2018 expense is \$13.074 million compared to the 2017 expense amount of only \$11.124 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 560.

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- b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 560 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-18 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 570, Maintenance of Station Equipment. The 2018 expense is \$10.516 million compared to the 2017 expense amount of only \$7.818 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 570.
 - b. Refer further to the monthly O&M expense per books reflected for FERC account on Schedule II-D-1.1. Provide a copy of the general ledger detail for FERC account 570 for December 2018 summing to \$1.588 million.
 - c. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 570 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-19 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 571, Maintenance of Overhead Lines. The 2018 expense is \$15.561 million compared to the 2017 expense amount of only \$13.524 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 571.
 - b. Refer further to the monthly O&M expense per books reflected for FERC account on Schedule II-D-1.1. Please provide a copy of the general ledger detail for FERC account 571 for December 2018 summing to \$2.410 million.
 - c. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 571 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.

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- GCCC 2-20 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 580, Operations Supervision and Engineering. The 2018 expense is \$53.346 million compared to the 2017 expense amount of only \$49.265 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 580.
 - b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 580 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-21 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 583, Overhead Line Expense. The 2018 expense is \$3.407 million compared to the 2017 expense amount of only \$2.655 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 583.
 - b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 583 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-22 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 584, Underground Line Expense. The 2018 expense is \$8.156 million compared to the 2017 expense amount of only \$7.470 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 584.

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- b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 584 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-23 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 586, Meter Expense. The 2018 expense is \$27.262 million compared to the 2017 expense amount of only \$22.935 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 586.
 - b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 586 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-24 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 588, Misc. Distribution Expense. The 2018 expense is \$35.680 million compared to the 2017 expense amount of only \$32.547 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 588.
 - b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 588 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-25 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 593, Maintenance of Overhead Lines. The 2018 expense is \$84.709 million compared to the 2017 expense amount of only \$75.173 million.

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- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 593.
 - b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 593 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-26 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 594, Maintenance of Underground Lines. The 2018 expense is \$12.990 million compared to the 2017 expense amount of only \$9.811 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 594.
 - b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 594 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-27 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 597, Maintenance of Meters. The 2018 expense is \$7.758 million compared to the 2017 expense amount of only \$6.916 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 597.
 - b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 597 that should be considered non-recurring in nature and whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.

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- GCCC 2-28 Refer to Schedule II-D-1 which shows the O&M expense per books amounts for 2018 and to Schedule II-D-1a which shows the O&M expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 909, Information and Instruction Advertising. The 2018 expense is \$3.914 million compared to the 2017 expense amount of only \$3.338 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 909.
 - b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 909 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-29 Refer to Schedule II-D-2 which shows the A&G expense per books amounts for 2018 and to Schedule II-D-2a which shows the A&G expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 920, Administrative and General Salaries. The 2018 expense is \$2.371 million compared to the 2017 expense amount of only \$0.662 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 920.
 - b. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 920 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large per books increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-30 Refer to Schedule II-D-2 which shows the A&G expense per books amounts for 2018 and to Schedule II-D-2a which shows the A&G expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 925, Injuries and Damages. The 2018 expense is \$22.845 million compared to the 2017 expense amount of only \$16.951 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 925.

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- b. Refer further to the monthly A&G expense per books reflected for FERC account 925 on Schedule II-D-2.1. Provide a copy of the general ledger detail for FERC account 925 for September 2018 summing to \$4.257 million and for December 2018 summing to \$2.795 million.
 - c. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 925 that should be considered non-recurring in nature and indicate whether they were removed in the filing. If none, please explain all reasons for the large per books increase in this expense amount in 2018 compared to 2017 and 2016 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-31 Refer to Schedule II-D-2 which shows the A&G expense per books amounts for 2018 and to Schedule II-D-2a which shows the A&G expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 926, Pensions and Benefits. The 2018 expense is \$62.096 million compared to the 2017 expense amount of only \$56.979 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 926.
 - b. Refer further to the monthly A&G expense per books reflected for FERC account on Schedule II-D-2.1. Provide a copy of the general ledger detail for FERC account 926 for December 2018 summing to \$10.403 million.
 - c. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 926 that should be considered non-recurring in nature and whether they were removed in the filing. If none, please explain all reasons for the large per books increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.
- GCCC 2-32 Refer to Schedule II-D-2 which shows the A&G expense per books amounts for 2018 and to Schedule II-D-2a which shows the A&G expense per books amounts for each of the years 2015, 2016, and 2017. Refer further to the amounts recorded in 2018 compared to 2017 in FERC account 930.2, Miscellaneous General Expenses. The 2018 expense is \$145.091 million compared to the 2017 expense amount of only \$136.418 million and the 2016 expense of only \$127.568 million.
- a. Provide a copy of all variance analyses performed during 2018 and subsequently related to the reasons for the large increase in 2018 expense compared to 2017 for FERC account 930.2.
 - b. Provide a copy of all variance analyses performed during 2017 and subsequently related to the reasons for the large increase in 2017 expense compared to 2016 for FERC account 930.2.

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- c. Refer further to the monthly A&G expense per books reflected for FERC account on Schedule II-D-2.1. Provide a copy of the general ledger detail for FERC account 930.2 for September 2018 summing to \$14.466 million and for December 2018 summing to \$19.511 million.
- d. Identify, describe, and quantify all amounts recorded in 2018 in FERC account 930.2 that should be considered non-recurring in nature and whether they were removed in the filing. If none, please explain all reasons for the large per books increase in this expense amount in 2018 compared to 2017, 2016, and 2015 and explain why the increase in 2018 should be considered recurring.