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APPLICATION OF CENTERPOINT §
ENERGY HOUSTON ELECTRIC, LLC § BEFORE THE
FOR AUTHORITY TO CHANGE RATES § PUBLIC UTILITY COMMISSION
ADMINISTRATIVE HEARINGS

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S
PROPOSED PROCEDURAL SCHEDULE**

In accordance with the State Office of Administrative Hearings (“SOAH”) Order No. 1 issued on April 9, 2019, CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston” or the “Company”) files this proposal regarding the schedule to be adopted in this case.

I. INTRODUCTION

The application pending before SOAH and the Commission in this proceeding is a base rate Statement of Intent case filed in accordance with Subchapter C of Chapter 36 of the Public Utility Regulatory Act (“PURA”).¹ PURA requires the Commission to render rate decisions “as quickly as possible” and establishes a final decision deadline of 185 days from the date of the filing.² Importantly, the procedural schedule adopted in this case must give reasonable effect to these statutory requirements.

It should also give effect to the requirements set forth in SOAH Order No. 1, which instructed parties to develop a proposed procedural schedule that allows the Administrative Law Judges (“ALJs”) eight weeks to write and issue the Proposal for Decision (“PFD”), provides the Public Utility Commission of Texas (“Commission”) with enough time for two open meetings for the Commission to discuss the PFD, and allows for seven calendar days after the open meeting to issue an order.³ CenterPoint Houston’s proposed schedule attempts to comply with these requirements. Based on discussions at the prehearing conference, it is expected that the proposed schedule(s) offered by the Intervenors and Commission Staff (“Staff”) will not accommodate the necessary time for the ALJs to draft the PFD and the Commission to consider it, before the statutorily established deadline.⁴

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.017 (Supp.) (“PURA”).

² PURA § 36.107(2); PURA §§ 36.102(a) and 36.108(b) and (c).

³ SOAH Order No. 1 at 3.

⁴ “Intervenors” collectively refers to the Office of Public Utility Counsel, the Gulf Coast Coalition of Cities, the Texas Coast Utilities Coalition, the City of Houston, Texas Industrial Energy Consumers, Alliance for Retail Markets, and Texas Energy Association for Marketers.

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In considering the competing schedules offered by CenterPoint Houston, the Intervenor and Staff, the ALJs should not be swayed by arguments contending that adherence to the deadlines set out in PURA and SOAH Order No. 1 will somehow deprive the parties of enough time to create a sufficient record for the Commission's consideration. First, the Company's rate filing package was filed approximately three weeks ago and a copy of the filing was served on counsel for each of the intervening parties on that date. Second, the Company's filing was no surprise – given that it was required by the rate scheduling requirements of the Commission's Rules (16 Texas Administrative Code § 25.247(c)(2)(B) (“TAC”)) and the Company's commitment to the timing of a rate filing in Project No. 47945, *Proceeding to Investigate and Address the Effects of the Tax Cuts and Jobs Act of 2017 on the Rates of Texas Investor-Owned Utility Companies*. Third, the Company's rate filing involves no new or novel rate issues.

In fact, with the exception of test year capital investment, the Intervenor and Staff have already had the opportunity to conduct discovery and evaluate CenterPoint Houston's transmission and distribution (“T&D”) capital investment made since its last general rate case in Docket No. 38339. These reviews have occurred as part of the Company's interim rate relief proceedings addressing its annual Distribution Cost Recovery Factor and Transmission Cost of Service filings. The Intervenor and Staff have also had the opportunity to further review CenterPoint Houston's cost of providing T&D service and the return earned on its investment as part of the Company's annual Earnings Monitoring Report. Simply put, the Intervenor and Staff are intimately familiar with CenterPoint Houston's operations and the costs the Company seeks to recover in this case.

There can also be no reasonable dispute that discovery in this proceeding is fully underway or that Intervenor and Staff have had ample opportunity to retain the expert assistance necessary for them to evaluate the Company's rate filing. This is evidenced both by the fact that the Company has received and is currently responding to **366** discovery requests, inclusive of subparts, and by the fact that the **70** Protective Order certifications received by the Company reflect Intervenor's and Staff's representation by many seasoned regulatory attorneys and rate experts.

In short, CenterPoint Houston respectfully requests the adoption of a procedural schedule that affords the Commission a reasonable opportunity to render a final determination in this case within the statutory timelines required by Chapter 36 of PURA and the requirements set forth in SOAH Order No. 1. This is especially important in this case because the Company's filing demonstrates an annual revenue deficiency of approximately \$193 million (not inclusive of its

proposed Rider UEDIT), and absent timely and constructive rate relief for CenterPoint Houston, that deficiency may result in a credit ratings downgrade from the major ratings agencies.

With these factors in mind, CenterPoint Houston presents two possible procedural schedules: (1) a preferred schedule designed to anticipate that the Commission will schedule two Open Meetings during the month of September 2019 and (2) an alternative schedule that would likely only give the Commission three weeks prior to the end of the statutory deadline to issue a final order following the issuance of the PFD. Both of the presented schedules afford eight weeks for the ALJs to write and issue the PFD.⁵ Based on the sophistication of the parties to this proceeding and the nature of the issues presented, the Company believes that the first proposed schedule should provide for the resolution of all issues within a reasonable time period. The second option presented affords the parties an additional two weeks prior to hearing, but results in the very real risk that the Commission may not be able to consider the PFD at two successive open meetings prior to the expiration of the statutory deadline.

Further, as part of its proposal, CenterPoint Houston will agree to shorten the discovery response time to 10 business days on its direct case, from the Commission-standard 20 days, following the issuance of an order setting the procedural schedule. CenterPoint Houston also proposes shortened discovery response times of 5 business days on Intervenor and Staff direct testimony and 3 business days on Company rebuttal testimony. Additionally, the Company proposes that requests for information that are received after 3:00 p.m. on Monday through Thursday shall be deemed to have been received the following business day, and requests for information that are received after 12:00 p.m. on a Friday should be deemed to have been received the following business day. If the due date for the written response to a motion to compel falls within the hearing on the merits, the Company proposes that the receiving party be permitted to provide an oral response to the motion to compel.

Finally, as discussed during the prehearing conference, CenterPoint Houston proposes that (1) parties be allowed to serve each other by email with a description of the documents being served in the subject line of the email, and (2) drafts of testimony and communications transmitting drafts of testimony are not discoverable in this proceeding. CenterPoint Houston's understanding is that no party to the case expressed objection to these proposals during the prehearing conference.

⁵ SOAH Order No. 1 at 3.

II. PROPOSED SCHEDULE 1 – TWO OPEN MEETINGS IN SEPTEMBER

<u>Event</u>	<u>Deadline</u>
Case filed	April 5, 2019
Staff recommendation on sufficiency of notice	April 15, 2019
Prehearing conference	April 23, 2019
Lists of Issues due	April 24, 2019
Motions on material deficiency of application	April 24, 2019
Objections to CenterPoint Houston direct testimony	May 3, 2019
Replies to objections to CenterPoint Houston direct testimony	May 6, 2019
Open Meeting (possible adoption of preliminary order)	May 9, 2019
Deadline for discovery on CenterPoint Houston direct testimony	May 16, 2019
Affidavit of notice	May 16, 2019
Intervenor direct testimony	May 17, 2019
Intervention deadline	May 20, 2019
Staff direct testimony	May 21, 2019
Objections to Intervenor and Staff direct testimony	May 24, 2019
Deadline for discovery on Intervenor and Staff direct testimony	May 31, 2019
Replies to objections to Intervenor and Staff direct testimony	May 31, 2019
CenterPoint Houston rebuttal testimony	June 3, 2019
Intervenor and Staff cross-rebuttal testimony	June 3, 2019
Statements of Position required by 16 TAC § 22.124	June 3, 2019
Objections to CenterPoint Houston rebuttal testimony	June 4, 2019
Objections to Staff and Intervenor cross-rebuttal	June 4, 2019
Deadline for discovery on CenterPoint Houston rebuttal testimony	June 7, 2019
Deadline for discovery on Intervenor and Staff cross-rebuttal testimony	June 7, 2019
Replies to objections to CenterPoint Houston rebuttal testimony	June 7, 2019
Replies to objections to Staff and Intervenor cross-rebuttal testimony	June 7, 2019
Prehearing Conference	June 11, 2019
Hearing on the Merits	June 11-14, 2019
Initial briefs	June 26, 2019
Reply briefs, including proposed Findings of Fact and Conclusions of Law	July 3, 2019
Issuance of PFD	August 28, 2019
PUCT Open Meeting	August 29, 2019
PUCT Open Meetings	TBD
Statutory 185-day deadline	October 7, 2019

III. ALTERNATIVE SCHEDULE 2 – ONE OPEN MEETING IN SEPTEMBER

Event	Deadline
Case filed	April 5, 2019
Staff recommendation on sufficiency of notice	April 15, 2019
Prehearing conference	April 23, 2019
Lists of Issues due	April 24, 2019
Motions on material deficiency of application	April 26, 2019
Open Meeting (possible adoption of preliminary order)	May 9, 2019
Intervention deadline	May 20, 2019
Affidavit of notice	May 20, 2019
Objections to CenterPoint Houston direct testimony	May 20, 2019
Replies to objections to CenterPoint Houston direct testimony	May 24, 2019
Deadline for discovery on CenterPoint Houston direct testimony	May 24, 2019
Intervenor direct testimony	May 29, 2019
Staff direct testimony	June 3, 2019
Objections to Intervenor and Staff direct testimony	June 10, 2019
Deadline for discovery on Intervenor and Staff direct testimony	June 10, 2019
Replies to objections to Intervenor and Staff direct testimony	June 17, 2019
CenterPoint Houston rebuttal testimony	June 17, 2019
Intervenor and Staff cross-rebuttal testimony	June 17, 2019
Statements of Position required by 16 TAC § 22.124	June 19, 2019
Objections to CenterPoint Houston rebuttal testimony	June 19, 2019
Objections to Staff and Intervenor cross-rebuttal	June 19, 2019
Deadline for discovery on CenterPoint Houston rebuttal testimony	June 21, 2019
Deadline for discovery on Intervenor and Staff cross-rebuttal testimony	June 21, 2019
Replies to objections to CenterPoint Houston rebuttal testimony	June 21, 2019
Replies to objections to Staff and Intervenor cross-rebuttal testimony	June 21, 2019
Prehearing Conference	June 24, 2019
Hearing on the Merits	June 26-July 1, 2019
Initial briefs	July 12, 2019
Reply briefs	July 19, 2019
PUCT Open Meeting	August 29, 2019
Issuance of PFD	September 13, 2019
PUCT Open Meetings	(TBD)
Statutory 185-day deadline	October 7, 2019

IV. CONCLUSION

CenterPoint Houston requests that the ALJs adopt a procedural schedule and associated discovery deadlines consistent with the options provided above, and grant CenterPoint Houston such other relief to which it may show itself entitled.

Respectfully submitted,



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**COUNSEL FOR CENTERPOINT ENERGY
HOUSTON ELECTRIC, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on this 26th day of April 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.



Mark A. Santos