

Control Number: 49421



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

**APPLICATION OF CENTERPOINT
ENERGY HOUSTON ELECTRIC, LLP
FOR AUTHORITY TO CHANGE
RATES**

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**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**

INTERVENORS' JOINT PROPOSED PROCEDURAL SCHEDULE

The Alliance for Retail Markets (ARM), City of Houston (COH), Gulf Coast Coalition of Cities (GCCC), Office of Public Utility Counsel (OPUC), Texas Coast Utilities Coalition (TCUC), Texas Energy Association for Marketers (TEAM), and Texas Industrial Energy Consumers (TIEC) (collectively, Intervenor) jointly file the proposed procedural schedule attached as Exhibit A, and respectfully request its adoption in this proceeding.

Pursuant to Order No. 1, the parties worked to establish a procedural schedule, but were unable to reach a unanimous agreement. The parties were attempting to accommodate all of the parameters in Order No. 1, which included 5 weeks for Commission deliberation and 8 weeks after the close of the record for preparation of the proposal for decision (PFD). At the prehearing conference on April 23, 2019, the Company initially suggested a hearing date starting June 24, but after receiving clarification from the administrative law judges (ALJs) that the record would close after all post-hearing briefing, the Company suggested a hearing date as early as May 28. However, a hearing date in May or June does not provide sufficient time for Intervenor and Commission Staff to meaningfully review the Company's application and discovery responses, or for the parties to provide the ALJs and the Commission with a fully developed record on which to make an informed decision. Instead, to provide the parties with an opportunity to fully address the issues presented in this case, the Intervenor's proposed schedule provides that the hearing would begin on July 10.¹ This schedule adheres to the customary procedural schedule in rate cases such as this one where the utility chooses not to extend the effective date, in which the hearing on the merits normally occurs at or near the 100th day subsequent to the filing of the case by the utility.

¹ This date was selected to avoid the week of July 4th, which presents scheduling conflicts for several of the attorneys and witnesses in this case, and to avoid completely overlapping with the hearing on the merits scheduled for July 9-11 in Docket No. 48973 for SPS's fuel reconciliation, in which parties are also participating.

The Intervenor's proposed procedural schedule seeks to balance the interests of all participants in this proceeding while adhering to the 185-day jurisdictional deadline. The primary function of a rate case is to allow a meaningful review and analysis of a utility's requested rates, which necessitates a reasonable amount of time to review the utility's application and conduct discovery. This proceeding is CenterPoint Energy Houston Electric, LLP's (CenterPoint Houston's) first base rate case since 2010.² As a result, this case requires a review of approximately nine years of rate base additions, along with novel issues such as reflecting the impacts of the Tax Cuts and Jobs Act of 2017, recovery of a regulatory asset for Hurricane Harvey-related costs, and the Company's request to install "voltage regulation battery technology."³ The application is more than 7,000 pages in length and includes the testimony of 26 witnesses. Any schedule adopted in this proceeding should take these factors into consideration.

Holding a hearing in May or June raises several concerns. First, a hearing beginning May 28 would necessitate filing intervenor direct testimony the week of May 6, which is only a week and a half after this filing. However, notice of this proceeding will not be complete until May 9,⁴ and the deadline for intervention in this case is May 20.⁵ With a May hearing date, a person who timely intervenes on May 20 will not have the opportunity to obtain any discovery responses or to file testimony prior to the hearing. Even with a June hearing date, a person who timely intervenes on May 20 would still have at best a very limited opportunity to ask discovery or prepare and file testimony. Thus, either of the Company's proposed schedules would compromise such an intervenor's opportunity to participate. Further, such a condensed timeline would preclude a meaningful opportunity for Intervenor and Staff to conduct discovery on CenterPoint Houston's application. Under the Commission's rules, the Company has 20 days to

² *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 38339, Order on Rehearing (June 23, 2011) (CenterPoint filed its application on June 30, 2010 using a test year of calendar year 2009).

³ CenterPoint Houston Application (Apr. 5, 2019).

⁴ The Company provided this date at the prehearing conference.

⁵ 16 Tex. Admin. Code (TAC) § 22.104(b) ("Motions to intervene shall be filed within 45 days from the date an application is filed with the commission, unless otherwise provided by statute, commission rule, or order of the presiding officer.").

respond to requests for information unless otherwise ordered by the ALJs.⁶ A hearing in May or early June would likely preclude Intervenor responses in time to develop their direct testimonies, and there would not be an opportunity to ask follow-up discovery questions. Follow-up rounds of discovery are often where the most relevant information is elicited because the first rounds pave the way for these later questions. Issue development is impacted by the ability to ask questions, review responses, and ask further questions. While the Intervenor responses are proposing shorter response times for discovery, tighter turnaround times cannot completely offset the limited time that would be available if the hearing begins in May or June.

Intervenor responses recognize that this proceeding is subject to a 185-day deadline. Intervenor responses' procedural schedule was crafted with the goal of spreading the 185-day timeline among all of the participants in this case and ensuring adequate time for a fully developed evidentiary record and a thorough deliberation on the contested issues. The Intervenor responses' proposed start date of July 10 for the hearing, in conjunction with shortened discovery response times, provides an opportunity for the current parties and any additional intervenors to review the Company's application, obtain discovery responses, and develop testimony. The proposed schedule allows the Company, Intervenor responses, and Staff to likewise develop rebuttal or cross-rebuttal cases as well. The schedule also provides six weeks for the ALJs to consider the evidence and argument presented and to issue a PFD. The schedule was developed by targeting September 26, 2019 as the possible open meeting date for consideration of a final order.⁷ If the Commission ultimately schedules a later open meeting prior to the October 7 jurisdictional deadline, there may be additional time for deliberation.

Additionally, the Intervenor responses' proposed schedule more closely follows the timeline from CenterPoint Houston's last rate case, Docket No. 38339, which included 25 days between the deadlines for intervention and intervenor direct testimony and allowed for five weeks for the PFD.⁸ Intervenor responses are amenable to including word or page limits for initial and reply briefs to

⁶ 16 TAC § 22.144(c)(1).

⁷ While the Commission does not currently have any open meetings scheduled beyond August 29, this date is based on an assumption that the Commission's meetings are generally approximately two weeks apart.

⁸ *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 38339, SOAH Order No. 5 at 2 (Jul. 23, 2010).

limit the impact of the timeline on the ALJs' preparation of the PFD.⁹ However, the Intervenor strongly believe that a schedule that allows for a fully developed record is necessary for a meaningful review of the Company's application and for the ALJs and Commission to make an informed decision, especially given the length of time since CenterPoint Houston's last base rate case.

Accordingly, the Intervenor respectfully request the adoption of the procedural schedule and agreements set forth in Exhibit A, including shortened discovery turnaround times, and any other relief to which they may be entitled.

Dated: April 26, 2019

Respectfully submitted,



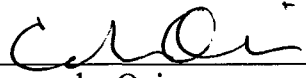
Cassandra Quinn
Assistant Public Counsel
State Bar No. 24053435
1701 N. Congress Avenue, Suite 9-180
P.O. Box 12397
Austin, Texas 78711-2397
512/936-7500 (Telephone)
512/936-7525 (Facsimile)
cassandra.quinn@opuc.texas.gov
opuc_eservice@opuc.texas.gov (Service)

ATTORNEY FOR THE
OFFICE OF PUBLIC UTILITY COUNSEL

⁹ See, e.g., *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 47527, SOAH Order No. 9 at 1-2 (Apr. 27, 2018); *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 46449, SOAH Order No. 10 at 2 (June 23, 2017).

CERTIFICATE OF SERVICE
SOAH DOCKET NO. 473-19-3864
PUC DOCKET NO. 49421

I certify that today, April 26, 2019, a true copy of the Intervenor's Joint Proposed Procedural Schedule was served on all parties of record via hand delivery, facsimile, United States First-Class Mail, or electronic mail.



Cassandra Quinn

**SOAH Docket No. 473-19-3864
PUC Docket No. 49421**

Intervenors' Proposed Schedule

<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 26, 2019
Open Meeting (possible adoption of preliminary order)	May 9, 2019
Publication of notice complete	May 9, 2019
Effective Date	May 10, 2019
Intervention deadline	May 20, 2019
Affidavit of notice	May 20, 2019
Objections to CenterPoint direct testimony	May 24, 2019
Replies to objections to CenterPoint direct testimony	May 29, 2019
Deadline for discovery on CenterPoint direct testimony	June 6, 2019
Intervenor direct testimony	June 13, 2019
Objections to Intervenor direct testimony	June 17, 2019
Staff direct testimony	June 17, 2019
Deadline for discovery on Intervenor and Staff direct testimony	June 20, 2019
Objections to Staff direct testimony	June 21, 2019
Replies to objections to Intervenor direct testimony	June 21, 2019
Replies to objections to Staff direct testimony	June 25, 2019
CenterPoint rebuttal testimony	June 26, 2019
Intervenor and Staff cross-rebuttal testimony	June 26, 2019
Objections to CenterPoint rebuttal testimony	July 1, 2019
Objections to Staff and Intervenor cross-rebuttal	July 1, 2019
Statements of Position required by 1 TAC § 22.124	July 3, 2019
Deadline for discovery on CenterPoint rebuttal testimony	July 3, 2019
Deadline for discovery on Intervenor and Staff cross-rebuttal testimony	July 3, 2019
Deadline to notice depositions	July 3, 2019
Replies to objections to CenterPoint rebuttal testimony	July 8, 2019
Replies to objections to Staff and Intervenor cross-rebuttal testimony	July 8, 2019
Deadline to conduct depositions	July 9, 2019
Prehearing Conference	July 9, 2019
Hearing on the Merits	July 10-12 and 15, 2019
Initial briefs	July 19, 2019
Reply briefs and Proposed findings of fact and conclusions of law	July 25, 2019
Issuance of PFD	September 5, 2019
PUC Open Meeting	September 26, 2019
Statutory 185-day deadline	October 7, 2019

Agreements:

- Electronic service is a valid form of service in this proceeding. Any party serving a document electronically will include the PUC docket number and name of the document being served in the subject line of the email transmitting the document.
- Drafts of testimony and emails that include drafts of testimony as attachments are not discoverable.
- Workpapers for Staff and Intervenor direct testimony, Staff and Intervenor cross-rebuttal testimony, and CenterPoint Houston rebuttal testimony are due one working day after the testimony is filed. Workpapers may be provided to the parties on CDs only (i.e., no hard (paper) copy is required).
- Requests for information that are received after 3:00 p.m. shall be deemed to have been received the following business day.
- If the due date for the written response to the motion to compel falls within the hearing on the merits, the receiving party may provide an oral response to the motion to compel.
- For written discovery on CenterPoint Houston's application and direct testimony filed on or after April 26, 2019:
 - responses are due within ten calendar days of the discovery request;
 - objections are due within five working days of the discovery request;
 - motions to compel are due within three working days of objections; and
 - responses to motions to compel are due within three working days of the motion to compel.
- For written discovery on Staff and Intervenor direct testimony, Staff and Intervenor cross-rebuttal testimony, and CenterPoint Houston rebuttal testimony:
 - responses are due within five calendar days of the discovery request;
 - objections are due within five working days of the discovery request;
 - motions to compel are due within three working days of objections; and
 - responses to motions to compel are due within three working days of the motion to compel.