



Control Number: 49421



Item Number: 48

Addendum StartPage: 0

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

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

**OFFICE OF PUBLIC UTILITY COUNSEL'S  
FIRST REQUEST FOR INFORMATION TO  
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

The Office of Public Utility Counsel (OPUC) files and submits this First Request for Information to CenterPoint Energy Houston Electric, LLC (CenterPoint Houston) in the captioned proceeding.

Under Commission Procedural Rules 22.141-.145, 16 Tex. Admin. Code Ch. 22, OPUC requests that CenterPoint, as defined herein, provide the following information and answer the following questions under oath. Please answer the questions and sub-questions in the order in which they are listed and in sufficient detail to provide a complete and accurate answer to the question.

**Definitions**

As used in this introduction and in these questions,

(1) "CenterPoint Houston," "CenterPoint," the "Company," and "Applicant" refer to CenterPoint Energy Houston Electric, LLC and its affiliates;

(2) "You," "yours," and "your" refer to CenterPoint Houston (as defined above), including its directors, officers, employees, consultants, agents, and attorneys.

(3) "Document" and "documents" mean any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tapes, film, electronic facsimile, computer storage device or any other media, including, but not limited to, electronic mail (e-mail), memoranda, notes, analyses, minutes, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers, observations, commercial practice manuals, reports and summaries

of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form.

### **Instructions**

1. The Definitions, Instructions, and Claim of Privilege set out in this Request for Information apply to these questions.
2. In answering these questions, furnish all information that is available to you, including information in the possession of your agents, employees, and representatives, all others from whom you may freely obtain it, and your attorneys and their investigators.
3. Please answer each question based upon your knowledge, information, or belief, and any answer that is based upon information or belief should state that it is given on that basis.
4. If you have possession, custody, or control (as defined by Tex. R. Civ. P. 192.7(b)) of the originals of these documents requested, please produce the originals or a complete copy of the originals and all copies that are different in any way from the original, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of the originals of the documents requested, please produce copies of the documents, however made, in your possession, custody, or control. If any document requested is not in your possession or subject to your control, please explain why not, and give the present location and custodian of any copy or summary of the document.
6. If any question appears confusing, please request clarification from the undersigned counsel.
7. In providing your responses, please start each response on a separate page and type, at the top of the page, the question that is being answered.
8. As part of the response to each question, please state, at the bottom of the answer, the name and job position of each person who participated in any way, other than providing clerical assistance, in the preparing of the answer. If the question has sub-parts, please identify the person or persons by sub-part. Please also state the name of the witness in this docket who will sponsor the answer to the question and who can vouch for the truth of the answer. If the question has sub-parts, please identify the witness or witnesses by sub-part.

9. Rather than waiting to provide all of the responses at the same time, please provide individual responses as each becomes available.
10. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer between the time of your original response and the time of the hearings, then you should submit, under oath, a supplemental response to your earlier answer.
11. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please call the undersigned counsel as soon as possible in order to discuss the situation and to try to resolve the problem. Likewise, if you object to any of the questions on the grounds that the question seeks confidential information, or on any other grounds, please call the undersigned counsel as soon as possible.
12. If the response to any question is voluminous, please provide separately an index to the materials contained in the response.
13. If the information requested is included in previously furnished exhibits, workpapers, or 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.
14. To the extent that a question asks for the production of copyrighted material, it is sufficient to provide a listing of such material, indicating the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

#### **Claim of Privilege**

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, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed.

**SOAH Docket No. 473-19-3864**  
**PUC Docket No. 49421**  
**OPUC's First Request For Information To**  
**CenterPoint Energy Houston Electric, LLC**

- 1-1. For the three years ended with the test year, please provide a list of all available employee positions showing the number of vacant, filled, and total positions by month.
- 1-2. In annualizing calendar year-end salaries, did the Company exclude a normalized level of vacant positions?
- 1-3. Please provide evidence that the actual competitive pay adjustment of 3% became effective on April 1, 2019.
- 1-4. Regarding severance paid by the Company:
  - a. Please provide the total amount of severance paid by the Company during each of the three years ended with the test year by FERC account, including any amounts capitalized.
  - b. Please provide the amount of severance included in the determination of cost of service by FERC account, including any amounts included in rate base items
- 1-5. Regarding moving and relocation costs paid by the Company:
  - a. Please provide the total amount of employee moving and relocation costs paid by the Company during each of the three years ended with the test year by FERC account, including any amounts capitalized.
  - b. Please provide the amount of employee moving and relocation costs included in the determination of cost of service by FERC account, including any amounts included in rate base items.
- 1-6. Regarding signing bonuses paid by the Company:
  - a. Please provide the total amount of signing bonuses paid by the Company during each of the three years ended with the test year by FERC account, including any amounts capitalized.
  - b. Please provide the amount of signing bonuses included in the determination of cost of service by FERC account, including any amounts included in rate base items.
- 1-7. For all amounts charged to the Company for "Compensation for Use of Capital":
  - a. Please provide the total amount of "Compensation for Use of Capital" included in the determination of cost of service by calendar year and by FERC account, including any amounts included in rate base items.
  - b. Please provide the calculation and related supporting working papers for each year where "Compensation for Use of Capital" was charged to the company and now included in the determination of cost of service.

**SOAH Docket No. 473-19-3864**  
**PUC Docket No. 49421**  
**OPUC's First Request For Information To**  
**CenterPoint Energy Houston Electric, LLC**

- c. Please provide the calculation and related supporting working papers for each year where a rate of return was used to determine the "Compensation for Use of Capital", clearing showing the capital structure used, the cost of debt, the return on equity, the weighted cost of debt and weighted return on equity.
- 1-8. Please refer to the direct testimony of Michelle M. Townsend, Page 9 of 50, Figure 2, which shows \$221,564 in billings to CenterPoint Houston from Service Company and CERC; and the direct testimony of Michelle M. Townsend, Page 23 of 50, Figure 3, which shows \$29,504 in charges by CenterPoint Houston to others; and Schedule V-K-2 which shows \$297,876 and \$9 in Per Book amounts for CNP Service Company and CNP Resources Corp, respectively, and \$323,845 in total Per Book charges.
  - a. If Schedule V-K-2 contains both charges to CenterPoint Houston and charges to others by CenterPoint Houston, please prepare a separate Schedule V-K-2 reflecting only charges to CenterPoint Houston and reconcile those amounts to page 9 of Ms. Townsend's testimony; and, please prepare a separate Schedule V-K-2 reflecting only charges to others by CenterPoint Houston and reconcile those amounts to page 23 of Ms. Townsends's testimony.
  - b. If Schedule V-K-2 does not contain both charges to CenterPoint Houston and charges to others by CenterPoint Houston, please prepare a reconciliation between the amounts shown on page 9 of Ms. Townsend's testimony and the amounts shown on Schedule V-K-2.
- 1-9. Please refer to the total shown on Schedule V-K-1 of \$323,832 and Per Book Total shown on Schedule V-5-2 of \$323,845. Please provide a reconciliation between these two numbers and explain why they are not the same or whether they should be the same.
- 1-10. Please refer to the direct testimony of Michelle M. Townsend, Page 23 of 50. Ms. Townsend states that when CenterPoint Houston provides services to its affiliates, it directly bills their time (employee's fully loaded labor rate plus related overhead) and related expenses to the affiliate requesting the service. Given that the total charges by CenterPoint Houston to affiliates during the test year are \$29,504, which reduces test year costs and that the Company has requested an increase in affiliate and direct wages and related overheads, has the company proposed a similar adjustment to normalize and increase the wages and related overhead that are charged from CenterPoint Houston to its affiliates? If so, please provide references to the location where that adjustment and related working papers to further reduce test year costs can be identified. If not, please provide an adjustment to the \$29,504 test year charges (credits) by FERC account to normalize and consistently reflect an increase in affiliate and direct wages and related overheads. Please provide working papers to support the adjustment, including the amounts by FERC account for affiliate and direct labor, related overheads, and non-labor-related charges in the \$29,504 test year credit.

**SOAH Docket No. 473-19-3864**  
**PUC Docket No. 49421**  
**OPUC's First Request For Information To**  
**CenterPoint Energy Houston Electric, LLC**

- 1-11.** Please provide financial statements and a trial balance for Vectren as of December 31, 2018 or the most reasonably available date.
- 1-12.** Please refer to Schedule "V-K-9.1 Corporate Services SKFs\_CONFIDENTIAL" and the direct testimony of Michelle M. Townsend, Pages 36 and 37 of 50.
- a. If 2019Q1 data is available, please provide the data shown in the 2018Q4 tabs for 2019Q1, both including and excluding Vectren. Please provide support for all assumptions regarding the numbers used for Vectren.
  - b. If 2019Q1 data is not available, please provide the data shown in the 2018Q4 tabs including Vectren. Please provide support for all assumptions regarding the numbers used for Vectren.
  - c. Please list and update any other allocators used to determine the amount of costs distributed among entities to include the impact of Vectren and provide the calculations and support for all assumptions.
  - d. By affiliate, please categorize the total amount of charges to each affiliated entity during the test year as direct-billed (\$115.2 million for CenterPoint Houston, according to Ms. Townsend) and by individual allocator (totaling \$178.2 million for CenterPoint Houston, according to Ms. Townsend) and using the allocators adjusted to include the impact of Vectren, please provide an adjusted affiliate charge distribution of the allocated costs for each affiliate charging CenterPoint Houston.
  - e. Please provide the total affiliate charges to CenterPoint Houston by FERC account as adjusted to include the impact of Vectren and provide the total adjustment to test year expense.
- 1-13.** Refer to the Direct Testimony of Kenny Mercado at 10-11.
- a. Please describe the components of the "transaction" costs related to the Vectren merger that are excluded from the filing, and provide the total amount of costs excluded.
  - b. Please explain if the cost allocation factors and allocated costs include the effect of Vectren merger. If so, identify the workpapers supporting the allocation factors and provide the total amount of Vectren costs included in the filing by FERC account.
- 1-14.** Please provide the Company's capital additions by FERC account by year for the years 2010 through 2018.
- 1-15.** Please provide a list and description of each capital project completed by year for the years 2010 through 2018.

**SOAH Docket No. 473-19-3864**  
**PUC Docket No. 49421**  
**OPUC's First Request For Information To**  
**CenterPoint Energy Houston Electric, LLC**

- 1-16. Refer to the Direct Testimony of Randal Pryor. Please provide Figures 3, 4, 5, and 6 by year for the years 2010 through 2018.
- 1-17. Refer to the Direct Testimony of Martin Narendorf. Please provide Figure 3 by year for the years 2010 through 2018.
- 1-18. Refer to the Direct Testimony of Julianne Sugarek at 16-17. Please provide workpapers supporting the cost of alternatives considered by CenterPoint Houston to address the solar farm voltage issues.
- 1-19. Refer to the Direct Testimony of Julianne Sugarek at 21-23. Please identify each Electric Vehicle (EV) charging station connected to CenterPoint Houston's system from 2013 to the present. For each EV charging station, state whether it is a public charging station and provide the total cost to extend facilities to connect the station and the portion of the costs paid by the customer.
- 1-20. Refer to the Direct Testimony of Stuart McMenamin at 5. Please provide the results of Dr. McMenamin's weather normalization analysis using 30 year average temperatures and 10 year average temperatures.
- 1-21. Refer to the Direct Testimony of Matthew Troxle at 10.
  - a. Please explain if CenterPoint Houston has proposed an Energy Efficiency Plan (EEP) adjustment to load data in any previous filing, and if so, identify the docket no.
  - b. Is CEH aware of any other utility in Texas that has requested a similar adjustment, and if so, identify the utility and docket number.
- 1-22. Refer to the Direct Testimony of Matthew Troxle at 49. Please explain how CenterPoint Houston estimated the number of occurrences associated with the proposed new discretionary service, Unmetered Attachment Charge, to determine the resulting service fee revenue.



April 26, 2019

Respectfully submitted,



Cassandra Quinn  
Assistant Public Counsel  
State Bar No. 24053435

OFFICE OF PUBLIC UTILITY COUNSEL  
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)

**CERTIFICATE OF SERVICE**

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

I certify that today, April 26, 2019, I served a true copy of the foregoing Office of Public Utility Counsel's First Request for Information to CenterPoint Energy Houston Electric, LLC on all parties of record via United States First-Class Mail, hand-delivery, facsimile, or electronic mail.



Cassandra Quinn