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

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

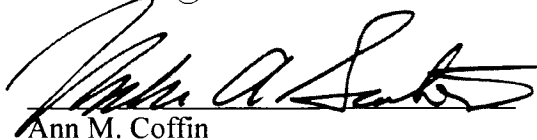
Pursuant to 16 Tex. Admin. Code § 22.144 and SOAH Order No. 2, CenterPoint Energy Houston Electric, LLC requests that the Office of Public Utility Counsel provide, within four (4) days, the information requested in the attached Exhibit A.

Respectfully submitted,

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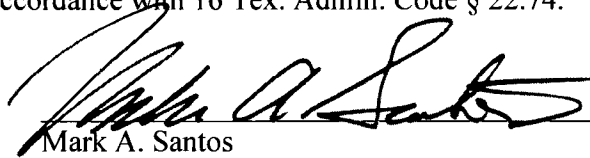


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**COUNSEL FOR CENTERPOINT ENERGY
HOUSTON ELECTRIC, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of June 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

EXHIBIT A

I. DEFINITION OF TERMS

The singular herein includes the plural and vice versa; the words “and” and “or” shall be construed as “and/or” in order to bring all information within the scope of the Request. The words, “each,” “all,” and “any,” mean “any and all” or “each and every.”

“CenterPoint Houston” or “Company” means CenterPoint Energy Houston Electric, LLC.

“Communication” shall include all meetings, telephone calls, conversations, discussions, letters, memoranda, notes, and other forms of communication.

“Document” or “Documents” is used in the broadest sense possible and shall mean every writing or record of every type and description, such as drafts, corrections, memoranda, letters, tapes, stenographic or handwritten notes, studies, publications, work papers, books, pamphlets, diaries, desk calendars, interoffice communications, records, reports, analyses, bills, receipts, checks, check stubs, checkbooks, invoices, requisitions, papers and forms filed with a court or governmental body, notes, transportation and expense logs, work papers, contracts, statistical and financial statements, corporate records of any kind, charts, graphs, pictures, photographs, photocopies, films, voice recordings, and any other written, recorded or graphic material, however denominated, by whomever prepared, and to whomever addressed, which are in your possession, custody or control. The term “document” also includes all electronic and magnetic data, including e-mail. The term “document” includes all copies of every such writing or record that are not identical copies of the original or that contain any commentary, notes, or markings that do not appear on the original.

“Including” means “including but not limited to” and “including without limitation.”

“Identify” means to state as much information as you now have or that is now subject to your control, or that you may hereafter come to have or that hereafter becomes subject to your control, including the following:

- a. when used in reference to a natural person, state the person’s full name, title, present (or last known) address, telephone number, occupation, present business affiliation or employer, business address, and exact duties and responsibilities of such individual;
- b. when used in reference to an entity, state the full name of the company, organization, association, partnership, or other business enterprise; and
- c. when used in reference to a document, state the date and title of the document and, if already produced in this case, the Bates-number of such document.

“Relate” or “relating to” includes referring to, mentioning, reflecting, containing, pertaining to, evidencing, involving, describing, discussing, responding to, supporting, opposing, constituting or being a draft, copy or summary of, in whole or in part.

“You” and “Your” refers to Office of Public Utility Counsel, and any of the attorneys or law firms that purport to represent you in this case.

II. INSTRUCTIONS

1. Each request herein extends to any documents or information in your possession and the possession of any of the attorneys or law firms that purport to represent you in this case.
2. Each and every non-identical copy of a document, whether different from the original because of indications of the recipient(s), handwritten notes, marks, attachments, marginalia, or any other reason, is a separate document that must be produced.
3. If you object to any portion of a request on the ground of privilege, answer the nonprivileged portion of the Request by providing such non-privileged information as is responsive.
4. If you object to any portion of a request on any ground other than privilege, you should still provide documents responsive to the remaining non-objectionable portion.
5. Separately for each request to which you object in whole or in part, describe in detail and itemize each basis of your objection.
6. If the basis of an objection to any request, or any portion thereof, is a statute, contract or other agreement, or any other obstacle to production that you claim is based in the law, please identify the basis of that purported obstacle with specificity.
7. Each request herein shall be construed independently, and no request shall be viewed as limiting the scope of any other request. Please indicate where any portion of your document production in response to a request has been covered in your production in response to another request, and please specify the request numbers at issue.
8. If you claim that any document responsive to any request is lost or destroyed, (a) identify and describe such document, (b) describe how the document was lost or destroyed, and (c) identify when the document was lost or destroyed.
9. If you claim that any documents responsive to any request are already in the possession of CenterPoint Houston, please identify the document with sufficient specificity to allow CenterPoint Houston to locate the document.
10. The requests shall be deemed continuing so as to require additional answers if, after answering such requests, you obtain information upon the basis of which you determine that the answer was incorrect when made, or you become aware that the answer, though correct when made, is no longer true, and the circumstances are such that failure to amend the answer is in substance a knowing concealment.
11. Any document that is withheld from production pursuant to a claim of attorney/client, work product, party communication or investigative privilege shall be identified and shall be segregated and maintained for in camera submission, and a list identifying such withheld documents shall be furnished at the time and place of production. Such list shall state with

respect to each document: (a) the privilege under which the document is being withheld; (b) a description of the type of document; (c) a description of the subject matter and purpose of the document; (d) the date the document was prepared; (e) the author and/or signatory of the document; (f) the identity of the persons to whom the document was sent; and (g) the present custodian of the document.

12. As part of the response to each request for information, 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 preparation of the response. Please also state the name of the witness in this docket who will sponsor the answer to the request and may verify the truth of the response.

III. REQUESTS FOR INFORMATION

3-1. Please refer to the Direct Testimony of Anjuli Winker. If not provided as part of Ms. Winker's workpapers, please produce the documents cited in the following footnotes:

- a. 1
- b. 7
- c. 9
- d. 10
- e. 11
- f. 12
- g. 13
- h. 15
- i. 16
- j. 29
- k. 30
- l. 34
- m. 37
- n. 62

3-2. Please refer to the Direct Testimony of Anjuli Winker at page 27, lines 4-10.

- a. Is Ms. Winker aware of any prior base rate case in which the Commission has approved the use of the sustainable retained earnings growth method to establish the return on equity of a regulated utility?
- b. If the answer to subpart (a) is yes, please provide citations to all such cases, including the docket number and the date of the order in which the Commission approved the use of the sustainable retained earnings growth method to establish the return on equity of a regulated utility.

3-3. Please refer to the Direct Testimony of Anjuli Winker at page 28, lines 11-12.

- a. Please describe all bases for Ms. Winker's contention that the book value growth rate produces more accurate growth estimates for calculating the sustainable earnings growth rate.
- b. Please produce all documents on which Ms. Winker relies for her contention that the book value growth rate produces more accurate growth estimates for calculating the sustainable earnings growth rate.

3-4. Please refer to the Direct Testimony of Anjuli Winker at page 29, lines 3-4.

- a. Please describe all bases for Ms. Winker's contention that "[p]ast performance is often an indication of future performance, especially in a regulated industry like the electric utility industry."

- b. Please produce all documents on which Ms. Winker relies for her contention that “[p]ast performance is often an indication of future performance, especially in a regulated industry like the electric utility industry.”
- 3-5. Please refer to the Direct Testimony of Anjali Winker at page 29, lines 5-7.
- a. Please describe all bases for Ms. Winker’s contention that “[i]nvestors place more significance on the past financial results of electric utilities than other sectors of the economy, because the regulatory process has fewer fluctuations with more stable revenues.”
 - b. Please produce all documents on which Ms. Winker relies for her contention that “[i]nvestors place more significance on the past financial results of electric utilities than other sectors of the economy, because the regulatory process has fewer fluctuations with more stable revenues.”
- 3-6. Please refer to the Direct Testimony of Anjali Winker at page 29, lines 16-18.
- a. Please describe all bases for Ms. Winker’s contention that “investors also consider sustainable retained earnings growth rates, forecasted and historical book value growth rates, and dividend growth rates to determine expected future performance.”
 - b. Please produce all documents on which Ms. Winker relies for her contention that “investors also consider sustainable retained earnings growth rates, forecasted and historical book value growth rates, and dividend growth rates to determine expected future performance.”
- 3-7. Please refer to the Direct Testimony of Anjali Winker at page 34, lines 18-20.
- a. Please describe all bases for Ms. Winker’s contention that the “shorter time period, therefore, better reflects current investor expectations and market conditions, than going back approximately four decades in the model.”
 - b. Please produce all documents on which Ms. Winker relies for her contention that that the “shorter time period, therefore, better reflects current investor expectations and market conditions, than going back approximately four decades in the model.”
- 3-8. Please refer to the Direct Testimony of Anjali Winker at page 36, lines 5-18.
- a. Did Ms. Winker perform an independent regression analysis to determine whether equity risk premiums are inversely related to interest rate levels?
 - b. Did Ms. Winker review Mr. Hevert’s regression analysis?
 - c. Did Ms. Winker find any errors in Mr. Hevert’s regression analysis?
 - d. If the answer to subpart (c) is yes, please describe those errors in detail.

- e. Does Ms. Winker dispute Mr. Hevert's conclusion on page 72 of his Direct Testimony that "over time there has been a statistically significant negative relationship between the 30-year Treasury yield and the equity risk premium?"
 - f. If the answer to subpart (e) is yes, please describe in detail all bases for Ms. Winker's disagreement and provide all documents that support her position.
- 3-9. Please refer to the Direct Testimony of Anjuli Winker at page 40, lines 6-16. Please describe how Ms. Winker arrived at a 9.15% point estimate for her recommended return on equity.
- 3-10. Please refer to the Direct Testimony of Anjuli Winker at page 43, lines 5-12.
- a. Has Ms. Winker performed any quantitative analysis to determine what CenterPoint Houston's ratio of Cash Flow from Operations pre-Working Capital to Debt would be under Ms. Winker's capital structure recommendation? If so, please provide that analysis.
 - b. Has Ms. Winker performed any quantitative analysis to determine what CenterPoint Houston's ratio of Debt to Earnings Before Interest, Taxes, Depreciation, and Amortization would be under Ms. Winker's capital structure recommendation? If so, please provide that analysis.
 - c. Has Ms. Winker performed any quantitative analysis to determine what CenterPoint Houston's ratio of Funds from Operations to Debt would be under Ms. Winker's capital structure recommendation? If so, please provide that analysis.
- 3-11. Please refer to Schedule AW-1 to the Direct Testimony of Anjuli Winker. If not already provided as part of Ms. Winker's workpapers, please provide the source documents for all numbers listed in Schedule AW-1.
- 3-12. Please refer to Schedule AW-3 to the Direct Testimony of Anjuli Winker. If not already provided as part of Ms. Winker's workpapers, please provide the relevant portions of the Mergent Bond Record publications cited in footnote 2.
- 3-13. Please refer to Schedule AW-4 to the Direct Testimony of Anjuli Winker. If not already provided as part of Ms. Winker's workpapers, please provide the source documents for all numbers listed in Schedule AW-4.
- 3-14. Please refer to the Direct Testimony of Karl Nalepa at pages 46-49. Please confirm that Mr. Nalepa is proposing to adjust both the Company's revenue requirement by \$1.205 million and the Company's revenues by \$1.205 million to remove the impacts of the Company's proposed energy efficiency billing determinant adjustment. If so, please explain why it is necessary to make both of these adjustments to remove the impacts of the energy efficiency adjustment and provide all calculations and other support for Mr. Nalepa's recommendation.

- 3-15. Please explain Mr. Nalepa's opinion as to how the Company's proposed energy efficiency billing determinant adjustment for changes to test year costs is different from a test year weather normalization adjustment.
- 3-16. Please explain Mr. Nalepa's opinion as to how the Company's proposed energy efficiency billing determinant adjustment for changes to test year costs is different from a test year customer count adjustment.