



Control Number: 49421



Item Number: 543

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

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

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FILED

**TEXAS COAST UTILITIES COALITION'S RESPONSES TO  
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC's  
SECOND REQUEST FOR INFORMATION TO TCUC,  
QUESTION NOS. 2-1 THROUGH 2-14**

Texas Coast Utilities Coalition ("TCUC") hereby files its responses to CenterPoint Energy Houston Electric, LLC ("CEHE") Second Set of Requests for Information ("RFIs") to TCUC.

**I. Written Responses.**

TCUC's written responses to CEHE' Second Set of RFIs are attached and incorporated by reference. Each response is stated on or attached to a separate page on which the request has been restated. TCUC's responses are made in the spirit of cooperation without waiving TCUC's right to contest the admissibility of any of these matters at hearing. Pursuant to 16 Tex. Admin. Code § 22.144(c)(2)(A), each response lists the preparer or person under whose direct supervision the response was prepared and any sponsoring witness. When TCUC provides certain information sought by the request while objecting to the provision of information, they do so without prejudice to their objection in the interests of narrowing discovery disputes pursuant to 16 Tex. Admin. Code § 22.144(d)(5). Pursuant to 16 Tex. Admin. Code § 22.144(c)(2)(F), TCUC stipulates that their responses may be treated by all parties as if they were made under oath.

**II. Inspections.**

If responsive documents are more than 100 pages but less than eight linear feet in length, the response will indicate that the attachment is VOLUMINOUS and, pursuant to 16 Tex. Admin. Code § 22.144(h)(2), the attachment will be made available for inspection at the offices of Herrera Law & Associates, PLLC, 816 Congress, Suite 950, Austin, Texas, 78701. If a response or the responsive documents are provided pursuant to the protective order in this

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docket, the response will indicate that it or the attachment is either CONFIDENTIAL or HIGHLY SENSITIVE as appropriate under the protective order. Highly sensitive responses will be made available for inspection at the offices of Herrera Law & Associates, PLLC, 816 Congress, Suite 950, Austin, Texas, 78701, unless they form a part of a response that exceeds eight linear feet in length; then they will be available at their usual repository in accordance with the following paragraph. Please call in advance for an appointment to ensure that there is sufficient space to accommodate your inspection.

If responsive documents exceed eight linear feet in length, the response will indicate that the attachment is subject to the FREIGHT CAR DOCTRINE, and, pursuant to 16 Tex. Admin. Code § 22.144(h)(3), the attachment will be available for inspection at the offices of Herrera Law & Associates, PLLC, 816 Congress, Suite 950, Austin, Texas, 78701, unless otherwise indicated. TCUC requests that parties wishing to inspect this material provide at least 48 hours' notice of their intent by contacting the offices of Herrera Law & Associates, PLLC, 816 Congress, Suite 950, Austin, Texas, 78701; telephone number (512) 474-1492; fax number (512) 474-2507. Inspections will be scheduled to accommodate all requests with as little inconvenience to the requesting party and TCUC's operations as possible.

Respectfully submitted,

**HERRERA LAW & ASSOCIATES, PLLC**

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**ATTORNEYS FOR TEXAS COAST UTILITIES  
COALITION**

### CERTIFICATE OF SERVICE

I certify that I have served a copy of *TCUC's Responses to CEHE's Second Set of Requests for Information to TCUC* upon all known parties of record by electronic mail in compliance with SOAH Order No. 2 on this the 14th day of June 2019.



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Brennan Foley

**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>
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CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC's  
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**CEHE RFI 2-1:**

Regarding the direct testimony of David J. Garrett, please identify any field visits or interviews with Company personnel performed by Mr. Garrett.

**RESPONSE:**

Mr. Garrett did not conduct a field visit or speak directly with Company personnel as part of this proceeding.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

**SOAH DOCKET NO. 473-19-3864  
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**CEHE RFI 2-2:**

Regarding the direct testimony of David J. Garrett, please identify any field visits or interviews with Company personnel relied upon by Mr. Garrett.

**RESPONSE:**

Mr. Garrett did not conduct a field visit or speak directly with Company personnel as part of this proceeding.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

**SOAH DOCKET NO. 473-19-3864  
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**CEHE RFI 2-3:**

Regarding the direct testimony of David J. Garrett, please explain the role of field visits or interviews of Company personnel in developing a depreciation study.

**RESPONSE:**

Mr. Garrett did not conduct a field visit or speak directly with Company personnel as part of this proceeding.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

**SOAH DOCKET NO. 473-19-3864  
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**CEHE RFI 2-4:**

Regarding the direct testimony of David J. Garrett, please explain whether conducting a field visit or interviews with Company personnel is a required step in the developing a depreciation study.

**RESPONSE:**

In Mr. Garrett's opinion, conducting a field visit and interviewing Company personnel are not necessarily required steps in developing a depreciation study sufficient to meet the utility's burden to make a convincing showing that its proposed depreciation rates are not excessive, though they may be helpful, as determined by Company management. In Mr. Garrett's opinion, the marginal benefits of an intervenor conducting an additional site visit and interviewing Company personnel, when the pertinent information obtained from such tasks, if any, can be obtained through discovery, are exceeded by the marginal costs of such tasks.

**SPONSORED BY:** David J. Garrett

**PREPARED BY:** David J. Garrett



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**CEHE RFI 2-5:**

Regarding the direct testimony of David J. Garrett, page 18, lines 23 – 25, please define the term “relied heavily.”

**RESPONSE:**

Based on reading Mr. Watson’s testimony, it is Mr. Garrett’s opinion that Mr. Watson likely considered multiple factors in developing his proposed depreciation rates, but in doing so gave too much consideration to the opinions of Company personnel at the expense of more objective and unbiased factors.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

**SOAH DOCKET NO. 473-19-3864  
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<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>
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**CEHE RFI 2-6:**

Regarding the direct testimony of David J. Garrett, page 18, lines 23 – 25, please clarify whether Mr. Garrett’s position is that any reliance on the expectations of Company personnel is inappropriate.

**RESPONSE:**

It is not Mr. Garrett’s position that “any” reliance on the expectations of Company personnel is inappropriate.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

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<b>APPLICATION OF CENTERPOINT</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
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**CEHE RFI 2-7:**

Regarding the direct testimony of David J. Garrett and the data relied upon for three utilities identified on page 19, please identify the actual retirement unit and capitalization policy of the three companies cited.

**RESPONSE:**

Mr. Garrett has not conducted research to determine the “actual retirement units” and actual capitalization policies of the three companies cited.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

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<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>
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**CEHE RFI 2-8:**

Regarding the direct testimony of David J. Garrett and the data relied upon for three utilities identified on page 19, please explain how the actual retirement unit and capitalization policy of the three companies compare to each of the eight accounts that Mr. Garrett has analyzed.

**RESPONSE:**

See Response to RFI 2-7.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

**SOAH DOCKET NO. 473-19-3864  
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**CEHE RFI 2-9:**

Regarding the direct testimony of David J. Garrett and the data relied upon for three utilities identified on page 19, please explain how differences in regulatory treatment were accounted for in Mr. Garrett’s analysis of each of the eight accounts that Mr. Garrett has analyzed.

**RESPONSE:**

Any differences in regulatory treatment are already reflected in each Commission’s approved depreciation rates. Mr. Garrett did not conduct any additional analysis of the differences in regulatory treatment.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

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**CEHE RFI 2-10:**

Regarding the direct testimony of David J. Garrett and the data relied upon for three utilities identified on page 19, please explain how geographical differences among the utilities were accounted for in Mr. Garrett's analysis of each of the eight accounts.

**RESPONSE:**

Geographical differences among the utilities are already accounted for in each Commission's approved depreciation rates. Mr. Garrett did not conduct any additional analysis of the utilities' geographic differences.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

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**CEHE RFI 2-11:**

Regarding the direct testimony of David J. Garrett, please explain whether Mr. Garrett relied on the results of the Conformance Index (CI) or the Retirement Experience Index (REI) in the evaluation of the simulated plant record (SPR). Please provide all documents, analyses, calculations and other support for his reliance on these indices.

**RESPONSE:**

Mr. Garrett considered the CI and REI scores of the SPR analyses in making his recommendations. All documents analyses, calculations and other support for such considerations is included in Mr. Garrett's testimony and exhibits.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

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**CEHE RFI 2-12:**

Regarding the direct testimony of David J. Garrett, please clarify whether aged data may vary among utilities and how Mr. Garrett evaluated this data in his analysis. Please provide all documents, analyses, calculations and other support.

**RESPONSE:**

Aged data will necessarily vary among utilities. Mr. Garrett considered the approved service lives of other utilities with aged data in making his recommendations in this case, but he has not conducted a specific analysis comparing the actual aged data among the different utilities cited in his testimony.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett



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**CEHE RFI 2-13:**

Regarding the direct testimony of David J. Garrett, to the extent age may vary among various utilities, please identify what factors may account for those differences.

**RESPONSE:**

Forces of retirement may affect the average life of grouped assets among different utilities to varying degrees. Forces of retirement might include wear and decay, accidents, action of the elements, obsolescence, disasters, regulatory requirements, and managerial discretions, among other things.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett

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**CEHE RFI 2-14:**

Regarding the direct testimony of David J. Garrett, please describe the consideration Mr. Garrett made for existing and/or approved life factors.

**RESPONSE:**

Mr. Garrett considered the approved service lives of the Company among several other factors, including the SPR analyses and the approved service lives for other utilities as described in his testimony.

**SPONSORED BY:** David J. Garrett  
**PREPARED BY:** David J. Garrett