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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  
§

H-E-B, LP'S RESPONSE TO CENTERPOINT ENERGY  
HOUSTON ELECTRIC, LLC'S SECOND REQUEST FOR INFORMATION

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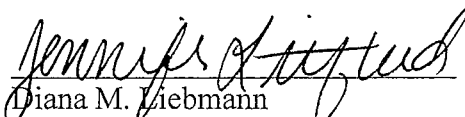
**SOAH DOCKET NO. 473-19-3864  
PUC DOCKET NO. 49421**

<b>APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC FOR AUTHORITY TO CHANGE RATES</b>	§ § § § §	<b>BEFORE THE STATE OFFICE  OF  ADMINISTRATIVE HEARINGS</b>
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**H-E-B, LP'S RESPONSE TO CENTERPOINT ENERGY  
HOUSTON ELECTRIC, LLC'S SECOND REQUEST FOR INFORMATION**

Pursuant to 16 Tex. Admin Code § 22.144 and SOAH Order No. 2, H-E-B, LP (“H-E-B”) files its Response to CenterPoint Energy Houston Electric’s (“CenterPoint”) Second Request for Information, Question Nos. 2-1 through 2-28.

H-E-B’s written responses to CenterPoint’s Second 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. H-E-B’s responses are made in the spirit of cooperation without waiving H-E-B’s right to contest the admissibility of any of these matters at hearing and without waiving any previously objections filed relating thereto. Pursuant to 16 Texas Administrative Code (“TAC”) § 22.144(c)(2)(A), each response lists the preparer or person under whose direct supervision the response was prepared and a sponsoring witness. Pursuant to 16 T.A.C. § 22.144(c)(2)(F), H-E-B stipulates that the responses may be treated by all parties as if filed under oath. Pursuant to 16 TAC § 22.144(c)(1) and SOAH Order No. 2, these responses are timely filed.

  
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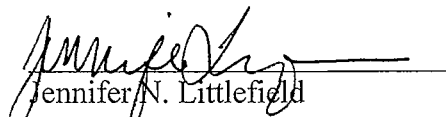
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of this document was served on counsel for the parties of record on June 14, 2019.

  
Jennifer N. Littlefield

## CenterPoint 2-1

How many H-E-B facilities in CenterPoint Houston's service area have on-site generation facilities and how many do not?

- a. What type of transfer scheme is used at these locations?
  1. High Speed Closed Transition
  2. Paralleling Scheme
  3. Open transition
- b. Has H-E-B correlated the type of transfer scheme to outage records at each location?
- c. What are the settings/conditions that result in generator starts?
- d. How does H-E-B determine outage lengths? Generator run records?
- e. Who compiles the H-E-B outage records — H-E-B or third party?
- f. Are all the generators owned by H-E-B? If not, then who owns them?
- g. Are the generators used solely for reliability?
- h. Are they part of a legally required standby system?
- i. Are they part of an optional standby system?
- j. Are the generators used for shifting load and/or demand response?
- k. How many times did H-E-B use its onsite generation to curtail their load in 2018?

### Response:

H-E-B has a total of 57 locations in CenterPoint's service territory. Please refer to the Direct Testimony of George W. Presses, page 10, lines 16 and 17, and page 11, lines 4 and 5, for the number of H-E-B facilities in CenterPoint's service territory with on-site generation.

H-E-B has filed an objection to subparts (a)-(b) and (f)-(k). Notwithstanding such objection, H-E-B responds to certain subparts as follows:

- c. As discussed in the Direct Testimony of George Presses, the conditions that result in the start of H-E-B's generators are when CenterPoint's system fails to provide service and H-E-B experiences an outage.
- d. Outage lengths are tracked by the amount of time the generators are running.
- e. Data is compiled by a third-party vendor on behalf of H-E-B.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

## CenterPoint 2-2

Does H-E-B install on-site generators in other service areas?

- a. Do those areas segregate commercial from residential circuits?
- b. What are the standard services these other service areas?
- c. Are the generators used solely for reliability?
- d. Are they part of a legally required standby system?
- e. Are they part of an optional standby system?
- f. Are the generators used for shifting load and/or demand response?
- g. How many times did H-E-B use its onsite generation to curtail their load in 2018?
- h. Does H-E-B track outages in other areas of Texas? If so, please provide the number of outages and duration in 2018, how outages are tracked, how H-E-B determines outage lengths, all generator run records, and the identity of any person who compiles the H-E-B outage records.

### Response:

H-E-B has filed an objection to this request for information on the grounds that the information is neither relevant nor reasonably calculated to lead to the discovery of admissible information. This is a base rate proceeding in which the Public Utility Commission of Texas must establish just and reasonable rates for CenterPoint.

**CenterPoint 2-3**

Does any H-E-B store have the ability to be served solely from onsite generation?

**Response:**

On-site generation for an H-E-B store is backup generation, therefore, it remains connected to the grid unless there is an outage, voltage, or other issue on the CenterPoint system.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**



**CenterPoint 2-4**

Please provide all presentations, communications, emails and contracts associated with the installation of onsite generation.

**Response:**

H-E-B has filed an objection to this request for information on the grounds that the information is neither relevant nor reasonably calculated to lead to the discovery of admissible information. This is a base rate proceeding in which the Public Utility Commission of Texas must establish just and reasonable rates for CenterPoint.

**CenterPoint 2-5**

Please provide all cost benefit analysis performed, either by H-E-B or other parties working with or for H-E-B, in determining onsite generation should be considered.

**Response:**

Please see the Direct Testimony of George W. Presses at page 8, lines 13 through 23; page 9, lines 1 through 5; page 12, lines 19 through 22; and page 13, lines 1 and 2 and lines 10 through 14. H-E-B has no responsive documents to this request.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-6**

Please indicate all stores outside of CenterPoint Houston's service territory that are currently served by onsite generation, in the process of having onsite generation installed or planned to have onsite generation installed.

**Response:**

H-E-B has filed an objection to this request for information on the grounds that the information is neither relevant nor reasonably calculated to lead to the discovery of admissible information. This is a base rate proceeding in which the Public Utility Commission of Texas must establish just and reasonable rates for CenterPoint.

**CenterPoint 2-7**

Please provide all presentations, whitepapers, cost-benefit analysis, emails between H-E-B and any third party that is currently working with, proposed to work with, and/or initiated conversations with H-E-B concerning onsite generation options.

**Response:**

H-E-B has filed an objection to this request for information on the grounds that this request is overly broad, seeks irrelevant information beyond the scope of this proceeding, and is not reasonably tailored to lead to the discovery of admissible evidence.

**CenterPoint 2-8**

Please provide the most recent schedule or plan for adding additional on-site generation at stores in the CenterPoint Houston service territory or the service territory of any other electric utility.

**Response:**

H-E-B has filed an objection to this request for information on the grounds that the information is *neither relevant nor reasonably calculated* to lead to the discovery of admissible information. This is a base rate proceeding in which the Public Utility Commission of Texas must establish just and reasonable rates for CenterPoint.

**CenterPoint 2-9**

Please provide any internal memoranda, reports, or studies on which H-E-B based its decision to install on-site generation at its stores.

**Response:**

H-E-B has filed an objection to this request for information on the basis that this request is overly broad, seeks irrelevant information beyond the scope of this proceeding, and is not reasonably tailored to lead to the discovery of admissible evidence.

**CenterPoint 2-10**

Please provide any internal memoranda, reports, or studies on which H-E-B based its decision to contract with Texas Microgrid, LLC and/or Enchanted Rock for the installation of on-site generation.

**Response:**

H-E-B has filed an objection to this request for information on the grounds that the information is neither relevant nor reasonably calculated to lead to the discovery of admissible information. This is a base rate proceeding in which the Public Utility Commission of Texas must establish just and reasonable rates for CenterPoint.

**CenterPoint 2-11**

Please provide a copy of H-E-B's agreement(s) with Texas Microgrid, LLC and/or Enchanted Rock for the installation of on-site generation.

**Response:**

H-E-B has filed an objection to this request for information on the grounds that the information is neither relevant nor reasonably calculated to lead to the discovery of admissible information. This is a base rate proceeding in which the Public Utility Commission of Texas must establish just and reasonable rates for CenterPoint.



**CenterPoint 2-12**

Please provide all documents, studies, and communications that analyze any reliability issues associated with H-E-B's on-site generation facilities.

**Response:**

H-E-B has filed an objection to this request for information on the basis that this request is overly broad, seeks irrelevant information beyond the scope of this proceeding, and is not reasonably tailored to lead to the discovery of admissible evidence.

**CenterPoint 2-13**

What steps has H-E-B taken to confirm the extent to which the reliability concerns addressed in Mr. Presses' Direct Testimony are related to its own facilities?

**Response:**

H-E-B has verified that the reliability issues identified in Mr. Presses' testimony are not related to H-E-B's own facilities because H-E-B's on-site generators only provide power to H-E-B when CenterPoint's power supply cannot reliably supply H-E-B's facilities at which time the H-E-B facilities and on-site generators are electrically isolated from CenterPoint's system. As stated in the Direct Testimony of Mr. Presses, once the generators begin to run, H-E-B does not experience reliability or power service quality issues.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-14**

Please provide all documents, studies, and communications that address the extent to which the reliability concerns addressed in Mr. Presses' Direct Testimony are related to its own facilities.

**Response:**

H-E-B does not have responsive documents to this request. H-E-B only addresses outages related to CenterPoint's poor service quality in the Direct Testimony of Mr. Presses. H-E-B did not discuss outages that may have resulted from H-E-B's own facilities.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-15**

Does the installation of generators result in a net financial gain for H-E-B when costs of “cold chain” preservation are not considered?

**Response:**

H-E-B has not conducted any financial analysis related to the installation of generators other than its costs of “cold chain” preservation because the “cold chain” is a fundamental part of H-E-B’s core business.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-16**

Reference page 11, lines 4-5 of Mr. Presses' Direct Testimony. How many of the 521 outages from January 2017 through May 2019 resulted in the loss of product in the "cold chain" and what was the cumulative dollar value of those losses?

**Response:**

As stated in the testimony of George W. Presses, these more recent outages at the stores with on-site generation did not result in a loss of product in the "cold chain" because H-E-B was able to utilize the backup on-site generation installed to guard against these repeated events to prevent the loss of product in the "cold chain." Please reference the testimony of George W. Presses at page 15, lines 14 through 18.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-17**

What is the maximum amount of time the “cold chain” can be without power before product must be discarded? Provide documentation to support your response.

**Response:**

The maximum amount of time the “cold chain” can be without power before product must be discarded varies by the type of product in the “cold chain.” Each product has its own, variable, shelf life and its own temperature range (e.g., frozen, refrigerated, or kept cool) that must be maintained to ensure that the product is preserved.

H-E-B objects to providing documentation to support this response as unduly burdensome because H-E-B would have to aggregate, sort, and identify the respective “cold chain” lives of thousands of products in H-E-B’s “cold chain” to respond to this request and such products vary by type of facility and between like facilities such as store locations.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-18**

Please provide a copy of H-E-B's guidelines, rules, or policies that govern the disposal of product from the "cold chain" as the result of a power loss.

**Response:**

H-E-B objects to providing documentation to support this response as unduly burdensome because H-E-B would have to aggregate, sort, and identify the respective "cold chain" lives of thousands of products in H-E-B's "cold chain" to respond to this request and such products vary by type of facility and between like facilities such as store locations.

**CenterPoint 2-19**

Does Mr. Presses believe H-E-B would see an increase in cost resulting from CenterPoint Houston's proposed change to charge the customer charge on a per-meter instead of a per customer basis? Please provide all support for your answer including any quantification or estimation of these costs.

**Response:**

Yes, H-E-B would see an increase in cost resulting from CenterPoint's proposal. As stated on page 27, lines 5 to 8 of Mr. Presses' testimony, "CenterPoint is proposing a change in the per customer charge to a per meter charge" and "H-E-B has multiple meters installed at its facilities."

At H-E-B facilities with multiple meters installed, simple arithmetic illustrates that H-E-B will see an increase in costs resulting from CenterPoint's proposal to charge the customer charge on a per-meter, instead of a per customer basis.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**



**CenterPoint 2-20**

Please provide any studies or analyses performed by Mr. Presses to support the statement on page 27, lines 16-18 of his testimony that “[a] per customer charge more accurately reflects the administrative costs associated with the provision of service.”

**Response:**

Mr. Presses has not performed any studies or analysis in support of this statement.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-21**

Please explain why “H-E-B has multiple meters installed at its facilities,” as noted on page 27, line 8 of Mr. Presses’ Direct Testimony and state whether the installation of multiple meters is required by CenterPoint Houston or requested by H-E-B.

**Response:**

H-E-B has multiple meters installed at its facilities including separate meters for gas stations, stores, and/or tenants. H-E-B requests such meters.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-22**

Are any instances in which “H-E-B has multiple meters installed at its facilities,” as noted on page 27, line 8 of Mr. Presses’ Direct Testimony the result of H-E-B’s installation of onsite generation equipment?

**Response:**

No.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-23**

Regarding Page 8, lines 2 to 6 in his Direct Testimony, is it Mr. Presses' testimony that these costs should be re-allocated from residential customers to other customer classes, including commercial and Industrial customers? If not, please reconcile your response with his Direct Testimony as to how these costs should be allocated or otherwise recovered.

**Response:**

No. As stated in Mr. Presses' Direct Testimony, all customers that use the grid should pay their share of transmission and distribution costs and those costs should be allocated on a non-coincident peak basis.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-24**

Provide all documents, communications and analyses wherein H-E-B addresses how an increase in the allocation to commercial customers would benefit H-E-B. Specify any benefits identified and any quantification or estimation of such benefit.

**Response:**

H-E-B has no responsive documents to this request because H-E-B never asserted that an increase in the allocation to commercial customers would benefit H-E-B. Mr. Presses stated in his testimony that H-E-B “could” economically benefit from the ERCOT 4CP and potentially the CenterPoint 4CP. However, no such quantification or estimation of such benefit has been conducted.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-25**

Provide the calculations that support the percentage increases addressed on page 18, lines 18 -21 and page 19, line 1 in the Direct Testimony of George W. Presses.

**Response:**

The calculations that identify the percentage increase use the information provided by CenterPoint in its Application. Specifically, please refer to page 11 of the Application. Mr. Presses calculated the percentage change in CenterPoint's current and proposed rates for the Secondary Service greater than 10kV customer class' transmission IDR and distribution rates and for the Primary Service customer class' transmission IDR and distribution rates. The percentage changes are shown in the table below, which was taken from Exhibit MAT-5 of Mr. Troxle's Direct Testimony, filed with CenterPoint's Errata 1 to its Application.

<u>Customer Class</u>	<u>Type of Charge</u>	<u>Current Charge</u>	<u>Proposed Charge</u>	<u>Increase</u>	<u>Percentage Change</u>
Secondary > 10kV	Transmission - IDR	\$2.2387	\$4.0496	\$1.8109	81%
Secondary > 10kV	Distribution	\$3.059429	\$4.831300	\$1.771871	58%
Primary	Transmission – IDR	\$2.1546	\$3.9371	\$1.7825	83%
Primary	Distribution	\$2.002820	\$2.523170	\$0.52035	26%

**Prepared by: George W. Presses**  
**Sponsoring witness: George W. Presses**

**CenterPoint 2-26**

Does Mr. Presses dispute the fact that, in calculating rates to be billed to each customer, CenterPoint Houston is billing customers based on the ERCOT 4CP and using the CenterPoint Houston 4CP only for cost allocation purposes? If so, please provide all support for his assertion. If not, explain why it is necessary to bill and allocate costs using the same 4CP method.

**Response:**

No. However, as stated in Mr. Presses' testimony, if customers attempt to avoid a different, CenterPoint 4CP than ERCOT's 4CP, that may result in reliability events for ERCOT.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**

**CenterPoint 2-27**

Is it Mr. Presses' position that wholesale transmission costs are assigned to CenterPoint based on each customer's class demands coincident with the ERCOT 4CP? If so, please identify the methodology used in the Four Coincident Peak Load Calculation in Docket No. 48928.

**Response:**

No.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**



**CenterPoint 2-28**

Is it Mr. Presses testimony that ERCOT should determine how a utility's costs are allocated to the individual rate classes? Please provide all support for his position.

**Response:**

No. Mr. Presses did not address "utility's costs" generally or how they should be allocated to individual rate classes. Mr. Presses stated that transmission and distribution costs should be allocated on a non-coincident peak basis.

**Prepared by: George W. Presses**

**Sponsoring witness: George W. Presses**