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SOAH DOCKET NO. 473-19-3864

PUC DOCKET NO. 49421

2019 JUN 14 PM 1:56

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

**GULF COAST COALITION OF CITIES' RESPONSE TO  
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S  
SECOND REQUEST FOR INFORMATION**

The Gulf Coast Coalition of Cities (GCCC) file this Response to CenterPoint Energy Houston Electric, LLC's (CEHE) Second Request for Information (RFI) to GCCC received on June 10, 2019. Pursuant to SOAH Order No. 2, these responses are timely filed. The responses to these RFIs may be treated by all parties as if they were filed under oath.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE &  
TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900

Austin, Texas 78701

(512) 322-5800

Fax: (512) 472-0532

[cbrewster@lglawfirm.com](mailto:cbrewster@lglawfirm.com)

[gmg@lglawfirm.com](mailto:gmg@lglawfirm.com)



CHRISTOPHER L. BREWSTER

State Bar No. 24043570

GEOFFREY M. GAY

State Bar No. 07774300

ATTORNEYS FOR GULF COAST  
COALITION OF CITIES

**CERTIFICATE OF SERVICE**

I hereby certify that on June 14, 2019 a true and correct copy of the foregoing document was served to all parties of record pursuant to SOAH Order No. 2.



CHRISTOPHER L. BREWSTER

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**GCCC'S Response to CEHE's Second RFI**

CEHE 2-1. Regarding Section III.A of the Direct Testimony of Lane Kollen, please identify each post-test year adjustments to which Mr. Kollen is referring in this section and explain why the adjustment is unreasonable.

**Response:**

Refer to the Direct Testimony of Mr. Kollen at 14-21. For a complete listing, refer to the Company's Schedules, Workpapers and Direct Testimony. Mr. Kollen did not state that any of the Company's proposed post-test year adjustments were unreasonable.

Prepared by: Lane Kollen  
Sponsored by: Lane Kollen

**GCCC'S Response to CEHE's Second RFI**

CEHE 2-2. Regarding Section III.A of Direct Testimony of Lane Kollen, please identify the specific annual increases in revenues to which Mr. Kollen is referring and explain whether each identified annual increase in revenue is a known and measurable change to test year revenues.

**Response:**

Refer to the Direct Testimony of Mr. Kollen at 41 lines 8-11. The source of the revenue amounts cited is provided in the footnote. Since Mr. Kollen's testimony was filed, the Company provided its response to GCCC RFI No. 4-1. The response indicates that the Company's billed retail transmission base revenues increased by \$21 million in 2015 compared to 2014, decreased by \$5 million in 2016 compared to 2015, increased by \$8 million in 2017 compared to 2016, and increased by \$15 million in 2018 compared to 2017, or an average annual increase of \$10 million.

The response indicates the Company's billed retail distribution base revenues increased by \$41 million in 2015 compared to 2014, decreased by \$10 million in 2016 compared to 2015, increased by \$5 million in 2017 compared to 2016, and increased by \$29 million in 2018 compared to 2017, or an average annual increase of \$16 million.

These annual changes in revenues are based on accounting records and are known and measurable, including the revenues recorded in the test year.

Prepared by: Lane Kollen  
Sponsored by: Lane Kollen

**GCCC'S Response to CEHE's Second RFI**

CEHE 2-3. Identify all statutes, Commission rules or precedent that Mr. Kollen believes support applying post-test year adjustments to revenues to offset post-test year adjustments to expense. Please explain the applicability to the Company's requested cost of service in this proceeding.

**Response:**

Mr. Kollen did not recommend a post-test year adjustment to revenues. Regardless, the Commission Substantive Rules, and specifically, 16 TAC § 25.231, do not address the basis for or calculation of test year revenues used to offset the cost of service in order to quantify the revenue deficiency or surplus.

Prepared by: Lane Kollen  
Sponsored by: Lane Kollen

**GCCC'S Response to CEHE's Second RFI**

CEHE 2-4. Refer to page 53, lines 16-23 of the Direct Testimony of Lane Kollen. Please identify the testimony filed by CenterPoint Houston, a response to a request for information, or any other source that supports the statements that (1) the "Company proposed to include the amortization of the transmission protected EDIT using the average rate assumption method ("ARAM") and the amortization of the transmission unprotected EDIT in its transmission cost of service ("TCOS") tariff; and (2) the "Company also proposes to include the increase in rate base due to the amortization of the protected and unprotected EDIT in its TCOS tariff." If there is not a specific source that supports these statements, explain in detail what Mr. Kollen is addressing regarding EDIT and the TCOS tariff at page 53, lines 16-23.

**Response:**

This testimony should be revised to read: "The Company proposes to include the amortization of the transmission protected EDIT using the average rate assumption method ("ARAM") in the base revenue requirement."<sup>1</sup> The rest of the Answer on lines 17-23 should be stricken and will be the subject of a forthcoming errata filing. The Company did not specifically address in its testimony or in response to discovery whether it would seek to include the increase in rate base due to the amortization of the protected EDIT in its TCOS tariff.

Prepared by: Lane Kollen  
Sponsored by: Lane Kollen

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<sup>1</sup> Schedule II-E-3, Page 4 of 4.

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**GCCC'S Response to CEHE's Second RFI**

CEHE 2-5. Refer to page 54, lines 13-16 of the Direct Testimony of Lane Kollen. Please identify the testimony filed by CenterPoint Houston, a response to a request for information, or any other source that supports the reference to the Company not adjusting rate base for protected EDIT until the next base rate proceeding. If there is not a specific source that supports this statement, explain in detail what Mr. Kollen is addressing at page 54, lines 13-16.

**Response:**

Refer to the response to CEHE RFI No. 2-4.

Prepared by: Lane Kollen  
Sponsored by: Lane Kollen