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BEFORE THE STATE OFFICE
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ADMINISTRATIVE HEARINGS

APPLICATION OF CENTERPOINT
ENERGY HOUSTON ELECTRIC, LLC
FOR AUTHORITY TO CHANGE
RATES §
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**City of Houston’s Third Request for Information to
CenterPoint Energy Houston Electric, LLC**

In connection with the Application filed by CenterPoint Energy Houston Electric, LLC (“CEHE”), by and through its attorney of record, provides the following information within seven (7) days of receipt of these requests. It is further requested that the answers to the requests for information be made under oath and that each item of information be made available as it is completed, rather than upon compilation of all information requested. Each answer should identify the person responsible for preparing that answer (other than the purely clerical aspects of its preparation) and the name of the witness in this proceeding who will sponsor the answer and who can vouch for its accuracy. These requests are continuing in nature, and should there be a change in circumstances which would modify or change an answer supplied by you, such changed answer should be submitted immediately as supplement to your original answer.

Definitions and Explanatory Notes

1. When a request calls for identification of a “person or witness,” the identification shall include a full name, business address and business telephone number. The identification should also include a job title and name of employer.

2. The terms “document” and “documents” are used in their broadest sense and shall mean and include all written, printed, typed, recorded, or graphic matter of every kind and description, including drafts, originals and copies, and all attachments and appendices thereto. Without limiting the foregoing, the terms “document” and “documents” shall include all agreements, contracts, communications, correspondence, letters, telegrams, telexes, messages, memoranda, records, reports, books, summaries, tape recordings or other records of telephone conversations or interviews, summaries or other records of personal conversations, minutes or summaries or other records of meetings and conferences, summaries or other records of negotiations, other summaries, diaries, diary entries, calendars, appointment books, time record, instructions, work assignments, forecasts, statistical data,

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statistical statements, financial statements, work sheets, work papers, drafts, graphs, maps, charts, tables, accounts, analytical records, consultants' reports, appraisals, bulletins, brochures, pamphlets, circulars, trade letters, press releases, notes, notices, marginal notations, notebooks, telephone records, bills, statements, records of obligation and expenditure, invoices, lists, journals, advertising, recommendations, printouts, compilations, tabulations, analysis, studies, surveys, transcripts of hearings, transcripts of testimony, affidavits, expense reports, microfilm, microfiche, articles, speeches, tape or disk recordings, sound recordings, video recordings, film, tape, photographs, punch cards, programs, data compilation from which information can be obtained, and other printed, written, handwritten, type-written, recorded, stenographic, computer-generated, computer-stored, or electronically-stored matter, however, and by whomever produced, prepared, reproduced, disseminated, or made. The terms "non-privileged document" and "non-privileged documents" also include all copies of documents by whatever means made, except that where a document is identified or produced, identical copies thereof which do not contain any markings, additions, or deletions different from the original need not be separately produced.


3. If any of the information requests is available in machine-readable form (such as paper or magnetic tapes, drums, disks or other storage), state the form in which it is available and describe the type of computer or other machinery required to read the information.
4. When a request calls for identification of a "document," the identification should include the following:
 - a. the full name and address of the author(s) by whom the document was written, prepared, recorded or made;
 - b. the date of the document;
 - c. the title and/or 're' of the document;
 - d. the subject matter of the document;
 - e. the full name and address of the recipient and every person who received copies of the document;
 - f. the full name and address of the person who has possession, custody or control of the document, or who is in charge of maintaining the document; and
 - g. if the document has been lost, shredded or destroyed (whether intentionally or unintentionally) an explanation of the reasons for and causes of such loss, shredding or destruction.
5. The term "studies" includes any document, as defined herein, which reflects or was utilized in the collection, evaluation, analysis, summarization or characterization of information with the subjects referred to in this proceeding.
6. The term "CenterPoint" and/or "CEHE" includes CenterPoint Energy Houston Electric, LLC and all of its agents, employees, parent companies, subsidiaries, affiliates, predecessors, successors, or assigns.

Respectfully submitted,

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City Attorney

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By:  _____
Alton J. Hall, Jr.

Counsel for City of Houston

CERTIFICATE OF SERVICE

I hereby certify that on this 26th day of April, 2019, a true and correct copy of the foregoing document was served upon on all parties of record by email and to the Public Utilities Commission by Federal Express.

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Alton J. Hall, Jr.

City of Houston's Third Request for Information

- 3-1. **Income tax:** Please provide an analysis of the Protected EDIT regulatory liability and amortization by month through the December 31, 2018.
- 3-2. **Income tax:** Please provide an analysis of the Protected EDIT regulatory liability and expected amortization by month for 2019 and 2020.
- 3-3. **Income tax:** Please provide an analysis of the Unprotected EDIT regulatory liability and amortization by month through the December 31, 2018.
- 3-4. **Income tax:** Please provide an analysis of the Unprotected EDIT regulatory liability and expected amortization by month for 2019 and 2020.
- 3-5. **Income tax:** Please provide an analysis of the regulatory asset and liability related to the excess tax expense collected in rates from January 1, 2018 through December 31, 2018 showing the actual amount of protected and unprotected EDIT collected or refunded by month through the latest available date and the amounts that are expected to be collected or refund until new rates are established.
- 3-6. **Income tax:** Please provide the expected amortization by year of the Protected EDIT during the initial five years as proposed by CenterPoint. Please provide the response to this discovery request in Excel compatible format with all formulas intact and with all amounts obtained from external spreadsheets or other sources fully referenced and included in the response.
- 3-7. **Income tax:** Please provide the expected amortization by year of the Unprotected EDIT during the first five years as proposed by CenterPoint. Please provide the response to this discovery request in Excel compatible format with all formulas intact and with all amounts obtained from external spreadsheets or other sources fully referenced and included in the response.
- 3-8. **Income tax:** Please provide the amount of the regulatory liabilities for the Protected EDIT and Unprotected EDIT included in the revenue requirement. Please include references to the Company's schedules, exhibits, and work papers in this response.
- 3-9. **Income tax:** Please provide an analysis of accumulated deferred income taxes, identifying each accumulated deferred income tax item, providing the temporary book/tax difference related to each item, identifying the item as protected or unprotected, the related balance sheet account related to each item (accumulated depreciation, regulatory assets or liabilities, etc.), whether the item is or has been included in the revenue requirement, the accumulated deferred income tax balance based on the current federal income tax rate, and the amount included in the revenue requirement for each item. Please provide the response to this discovery request in Excel compatible format with all formulas intact and with all amounts obtained from external spreadsheets or other sources fully referenced and included in the response.

- 3-10. **Post-test year adjustments:** Please identify each item in the adjusted revenue requirement that was measured on December 31, 2018 and was not updated or measured beyond that date. Please provide a reference to the each related work paper.
- 3-11. **Post-test year adjustments:** Please identify each item in the adjusted revenue requirement that was estimated past December 31, 2018 and provide a reference to the related work paper.
- 3-12. **Incentive compensation:** Please provide copies of all long-term incentive compensation plan documents whose expenses are included in the revenue requirement.
- 3-13. **Incentive compensation:** For each long-term incentive plan whose expenses are included in the revenue requirement, please identify the number of employees and amounts covered by the plan for CenterPoint Houston Electric and for each affiliate or operating unit with payroll costs allocated or assigned to Texas jurisdictional operations.
- 3-14. **Incentive compensation:** Please provide the dollar value of each long-term incentive award included in the revenue requirement, separately identifying amounts for CenterPoint Houston Electric and for each affiliate or operating group with incentive costs allocated to Texas.
- 3-15. **Incentive compensation:** Please provide the target levels for each long-term incentive award for 2018 and for 2019, and the related jurisdictional amounts, separately identifying amounts for each affiliate or operating group with incentive costs allocated to Texas.
- 3-16. **Incentive compensation:** Please provide copies of all short-term incentive plan documents whose expenses are included in the revenue requirement.
- 3-17. **Incentive compensation:** For each short-term incentive plan included in the revenue requirement, please identify the number of employees and amounts covered by the plan for CenterPoint Houston Electric and for each affiliate or operating unit with payroll costs allocated or assigned to Texas jurisdictional operations.
- 3-18. **Incentive compensation:** Please provide the total dollar amount for the target levels of short-term incentives for 2018 and 2019, and the related jurisdictional amounts, separately identifying amounts for CenterPoint Houston Electric and for each affiliate or operating group with incentive costs allocated to Texas.
- 3-19. **Incentive compensation:** Please provide the dollar value of each short-term incentive award included in the revenue requirement, separately identifying amounts for CenterPoint Houston Electric and for each affiliate or operating group with incentive costs allocated to Texas.
- 3-20. **Incentive compensation:** Please provide the budgeted amount of each short-term incentive award for 2018 and 2019, and the related jurisdictional amount, separately identifying amounts for CenterPoint Houston Electric and for each affiliate or operating group with incentive costs allocated to Texas.

- 3-21. **Incentive compensation:** Please provide the jurisdictional amount of each short-term incentive award for 2018 included in O&M expenses, separately identifying amounts for CenterPoint Houston Electric and for each affiliate or operating group with incentive costs allocated to Texas, identifying amounts awarded and allocated based on company earnings, control of capital or expense costs, customer satisfaction, safety, and/or other identified goals.
- 3-22. **Payroll:** Please provide the payroll expense percentages for the test year and each of the three years prior to the test year for CenterPoint Houston Electric and for each affiliated company with payroll included in the revenue requirement.
- 3-23. **Payroll:** Please provide the payroll by pay period for the test year for each employee group with a separate payroll annualization calculation in the Company's exhibits, and showing for each pay period the number of employees, the amount of base pay, the amount of overtime pay, the overtime hours, the amount of incentives paid, and the amount of other pay. Please provide this information separately for CenterPoint Houston Electric and for each affiliate or working group with costs allocated to CenterPoint Houston Electric. Please provide this response in Excel compatible format with all formulas fully functional and intact.
- 3-24. **Payroll:** Please provide the payroll by pay period for each pay period subsequent to the test year through the latest available date for each employee group with a separate payroll annualization calculation in the Company's exhibits, and showing for each pay period the number of employees, the amount of base pay, the amount of overtime pay, the overtime hours, the amount of incentives paid, and the amount of other pay. Please provide this information separately for CenterPoint Houston Electric and for each affiliate of CenterPoint Houston Electric. Please provide this response in Excel compatible format with all formulas fully functional and intact.
- 3-25. **Payroll:** Please provide the pro forma payroll for each employee group with a separate payroll annualization calculation in the Company's exhibits, and showing for each payroll group the number of employees, the amount of base pay, the amount of overtime pay, the overtime hours, the amount of incentives paid, and the amount of other pay. Please provide this information separately for CenterPoint Houston Electric and for each affiliate or work group with costs allocated to CenterPoint Houston Electric. Please provide this response in Excel compatible format with all formulas fully functional and intact.
- 3-26. **Payroll:** Please provide the payroll for the test year and each of the three years preceding the test year, showing for average number of employees, the amount of base pay, the amount of overtime pay, the overtime hours, the amount of incentives paid, and the amount of other pay. Please provide this information separately for CenterPoint Houston Electric and for each affiliate or work group with costs allocated to CenterPoint Houston Electric. Please provide this response in Excel compatible format with all formulas fully functional and intact.

- 3-27. **Payroll:** Please provide the Company's policy regarding pay increases, and explain if the Company grants general pay increases, if the general pay increases are granted on the same date for all qualifying employees, an explanation of the alternative dates if that is used instead of a uniform increase date, if the individual increases are based on merit, and the different methods are used to determine the amount pay increases for each payroll group (contract, management's decision, etc.).
- 3-28. **Payroll:** If pay increases are granted on a uniform date for groups of employees, please provide the dates each general pay increase was granted during the test year, identify the applicable payroll groups for each pay increase, and for each identified payroll group provide the number of employees and base pay by payroll period in the test year and for each pay period following the test year through the latest available date.
- 3-29. **Payroll:** If pay increases are granted on a uniform date for groups of employees, please provide the dates each general pay increase was granted in each of the three years preceding the test year, and for each applicable payroll group provide the base pay in the twelve months preceding and following each pay increase.
- 3-30. **Payroll:** Please provide a narrative description of any and all programs that the Company and/or its parent company has instituted which resulted in a decrease to the Company's number of employees since the beginning of the test year.
- 3-31. **Payroll:** Please provide a narrative description of any and all programs that the Company and/or its parent company plans to institute which could result in a decrease to the Company's number of employees after the end of the test year.
- 3-32. **Payroll:** Please quantify the savings which have been achieved or that are expected to be achieved from programs to reduce the number of employees of the Company and/or its parent company.
- 3-33. **Retirement plans:** Please provide a narrative describing any changes the Company plans to make to any of its retirement plans or post-retirement benefits within the two years after the end of the test year.
- 3-34. **Retirement plans:** Please quantify the savings which have been achieved or that are expected to be achieved from changes to Company's retirement plans or post-retirement benefits.
- 3-35. **Retirement plans:** Please provide copies of the actuary reports supporting the test year level of pension costs for each retirement plan or post-retirement benefits.
- 3-36. **Retirement plans:** Please provide the amounts included in test year operating expenses for each retirement plan and post-retirement benefits.
- 3-37. **Retirement plans:** Please provide the amounts included in pro forma operating expenses for each retirement plan and post-retirement benefits.

- 3-38. **Retirement plans:** Please provide a copy of the full document(s) provided by the Company's actuary supporting the level of pension costs and post-retirement benefits included in the revenue requirement.
- 3-39. **Retirement plans:** Please identify each non-qualified retirement plan and provide the amount of each included in the revenue requirement separately for CenterPoint Houston Electric and for each affiliate or work group with costs allocated to CenterPoint Houston Electric.
- 3-40. **Regulatory Assets and Liabilities:** For each regulatory asset and liability, provide an explanation of the item, the reason for including it in rate base, and any related statutes, orders, legal precedent or other available documentary support for including the item in rate base.
- 3-41. **Regulatory Assets and Liabilities:** For each regulatory asset and liability, provide an analysis of the item showing by month the related revenue or expense, increases and decreases to the account balance with basic descriptive information (i.e. "Storm Damage," "Insurance Reimbursements," "Amortization"), and the account balances. This analysis should begin with the later of the origination of the item or the last jurisdictional filing which included the item, and the analysis should continue through latest available date. Please provide the response in Excel compatible format with fully functional formulas.
- 3-42. **Regulatory Assets and Liabilities:** Please provide the balances of each regulatory asset and liability for each month beginning one month prior to the test year and continuing through the latest available date.
- 3-43. **Outside Services Expense:** Please provide an analysis identifying each vendor with costs exceeding \$500,000 in the outside services expense account in the test year. For each vendor, provide the service provided by the vendor, the amount included in test year expenses, and any adjustments related to the test year level of expenses related to the vendor, and the amounts paid to the vendor in each of the two years prior to the test year.
- 3-44. **Injuries and Damages Expense:** Please provide an analysis of reserve account for Injuries and Damages Expense for each of the three years prior to the test year and for the test year showing the beginning balance, the accruals increasing the reserve account, claims charged to the reserve account, adjusting entries, and the year ending balance for the reserve account.
- 3-45. **Property Insurance Expense:** Please provide an analysis of reserve account for Property Insurance Expense for each of the three years prior to the test year and for the test year showing the beginning balance, the accruals increasing the reserve account, claims charged to the reserve account, adjusting entries, and the year ending balance for the reserve account.
- 3-46. **FIN 48:** Please identify and describe FIN 48 amounts on the Company's books at December 31, 2017, provide the adjustments to those FIN 48 amounts, and identify the amounts included in adjusted rate base.