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

**SOAH ORDER NO. 7
DENYING CENTERPOINT’S MOTION TO STRIKE TESTIMONY;
CONSOLIDATING APPEALS OF MUNICIPAL ACTIONS; AND DISCUSSING
CENTERPOINT’S OBJECTION TO H-E-B, LP’S RFI**

I. DENYING CENTERPOINT’S MOTION TO STRIKE TESTIMONY

On June 10, 2019, CenterPoint Energy Houston Electric, LLC (CenterPoint) filed a Motion to Strike Portions of the Direct Testimony of Charles S. Griffey and Michael P. Gorman that were filed on behalf of Texas Industrial Energy Consumers (TIEC) (Motion to Strike). The Motion to Strike focuses on the portions of testimony in which Mr. Griffey and Mr. Gorman propose that the Public Utility Commission of Texas (Commission) impose “ring-fencing” protections on CenterPoint. CenterPoint argues that the Commission does not have the statutory authority to order the proposed ring-fencing, and therefore those portions of testimony are irrelevant and should be struck.

TIEC timely responded to the Motion to Strike. TIEC argues that the challenged testimony is relevant to this proceeding because: (1) it responds directly to CenterPoint’s application and the Commission’s Preliminary Order Issue No. 9,¹ and (2) the Commission has the statutory authority to impose financial or operational requirements in a Texas Utilities Code chapter 36 rate case.

The Administrative Law Judges (ALJs) conclude that the challenged testimony directly relates to Preliminary Order Issue No. 9 (explicitly added by the Commission), and is relevant to

¹ *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 49421, Preliminary Order (May 9, 2019).

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this proceeding. Accordingly, CenterPoint's Motion to Strike is **DENIED**, and the challenged testimony will not be struck.²

II. CONSOLIDATING APPEALS OF MUNICIPAL ACTIONS

On June 7, 2019, CenterPoint filed its Petition for Review of Municipal Approval of Rate Change and Motion to Consolidate (Petition). CenterPoint asserts that a number of the Cities³ it serves failed to act on its application to change rates, and therefore, are considered to have approved the requested rates effective May 10, 2019.⁴ In its Petition, CenterPoint appeals the Cities' approval of its requested rate change, and asserts that Commission review is necessary so that CenterPoint can charge uniform system-wide rates. CenterPoint also requests that its appeals be consolidated with Docket No. 49421 because they involve issues of law and fact common to those involved in Docket No. 49421, and separate hearings for the appeals would result in unwarranted expense, delay, or substantial injustice. No objection was filed.

Accordingly, CenterPoint's appeals of the Cities' approval of the requested rates are hereby **CONSOLIDATED** for review with this docket.

III. DISCUSSING CENTERPOINT'S OBJECTION TO H-E-B, LP'S RFI

On June 3, 2019, CenterPoint filed an Objection to H-E-B, LP's First Set of Requests for Information; specifically, H-E-B 1-3 and H-E-B 1-4. CenterPoint subsequently filed a Motion to Withdraw Objection to H-E-B, LP's First Set of Requests for Information, stating that its withdrawal was consistent with an agreement between CenterPoint and H-E-B, LP.


² If applicable, the ALJs' Proposal for Decision will address the issue of whether the Commission has the authority to impose financial and operational requirements, such as ring-fencing, on a regulated utility in a Texas Utilities Code chapter 36 rate case.

³ The "Cities" consist of Brookside Village, Danbury, East Bernard, El Lago, Freeport, Jones Creek, Meadows Place, Oak Ridge North, Oysert Creek, Richmond, Richwood, Sandy Point, Shoreacres, Southside Place, Stafford, Surfside Beach Village, Thompson, Weston Lakes, the Village of Fairchilds, the Village of Pleak, and the Town of Quintana.


⁴ See Texas Utilities Code § 36.108(c).

The ALJs conclude this matter is moot based on CenterPoint's withdrawal of its objection and 16 Texas Administrative Code § 22.144(e); thus, no ruling is necessary on this matter.


SIGNED June 18, 2019.



STEVEN D. ARNOLD
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS



MEAGHAN BAILEY
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS



ELIZABETH DREWS
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS