



Control Number: 49421



Item Number: 573

Addendum StartPage: 0

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

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

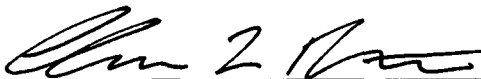
**GULF COAST COALITION OF CITIES' RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S
THIRD REQUEST FOR INFORMATION**

The Gulf Coast Coalition of Cities (GCCC) file this Response to CenterPoint Energy Houston Electric, LLC's (CEHE) Third Request for Information (RFI) to GCCC received on June 14, 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,

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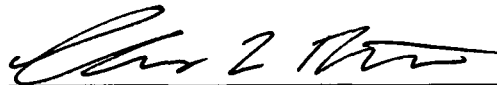
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ATTORNEYS FOR GULF COAST
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CERTIFICATE OF SERVICE

I hereby certify that on June 18, 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

GCCC'S Response to CEHE's Third RFI

CEHE 3-1. On page 49, lines 1-6, of his direct testimony, Mr. Kollen provides the estimated effect of his Merger Savings Rider. Please identify the specific workpaper references (e.g., page, tab, cell) containing the numbers or calculations supporting Mr. Kollen's estimate effect of the rider.

Response: Mr. Kollen did not perform an independent calculation of the merger savings. Mr. Kollen relied on CenterPoint's calculation of 2021 CEHE O&M savings and multiplied this amount times 75%. Refer to Attachment M (HSPM) to Mr. Kollen's direct testimony for a copy of the source document provided by CEHE in response to discovery.

Prepared by: Lane Kollen
Sponsored by: Lane Kollen

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GCCC'S Response to CEHE's Third RFI

CEHE 3-2. Mr. Kollen is proposing to refund approximately \$200 million of grossed-up EDIT related to securitized competitive transition bonds and system restoration bonds evenly over three years. In Mr. Kollen's direct testimony on page 58, lines 16-18 he states "The Commission calculated the present value of the return on the ADFIT related to the stranded cost and required the Company to amortize this over the stranded cost recovery period." He additionally states on page 61 lines 13-14 "There is no return on this EDIT because the Commission already addressed this issue in Docket No. 30485."

Given that the three year amortization period would significantly change timing of the cash flows from what was assumed in the initial calculation of the ADFIT benefit, please provide a complete and thorough discussion of why Mr. Kollen asserts that there is no need to consider return in his proposed refund.

Response: In Docket No. 30485, the return on the ADFIT through 2019 was discounted to a net present value amount based on the amortization schedule for the stranded costs securitized in that proceeding. There is no additional return on the ADFIT after 2019 related to that tranch of securitized stranded costs. There may be additional return on the ADFIT after 2019 related to other tranches of securitized stranded costs that may be minimally impacted by the refund of the EDIT related to those stranded costs starting in 2020 and continuing through 2022; however, Mr. Kollen has not quantified these effects, if any.

Prepared by: Lane Kollen
Sponsored by: Lane Kollen