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

REBUTTAL TESTIMONY

OF

JEFFREY S. MYERSON

ON BEHALF OF

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

June 2019

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REBUTTAL TESTIMONY OF JEFFREY S. MYERSON

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. My name is Jeffrey S. Myerson, and I am employed by CenterPoint Energy Service Company ("Service Company"), a subsidiary of CenterPoint Energy, Inc. ("CNP"), as Director of the Integration Management Office ("IMO"). I was hired by Houston Lighting & Power in 1981 immediately after graduation from Purdue University. I earned a Master's in Business Administration from the University of Houston in 1988. My early career involved work as a licensed professional land surveyor, and I later moved into a role implementing and managing an enterprise Geographic Information System ("GIS") for the regulated electric and gas businesses of CNP across six states.

Since then, my roles have included Director of Land & Field Services, with responsibilities for surveying, right-of-way management, joint use of electric facilities, GIS, and underground line locating across the regions in the six states served by Regulated Operations; Director of AMS Integration, responsible for the successful integration of technologies, organizations, processes, and communications through monitoring, diagnostics, performance analysis, and environment testing of AMS; Director of Smart Grid Deployment, with responsibility to oversee the integration of the AMS and Intelligent Grid ("IG") projects, and with responsibility for governance activities including project planning, tracking and reporting; communications; risk management; financial reporting; program integration; end-to-end system performance monitoring; and issue resolution; Service Area Director, with responsibilities for the South Houston service area of CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston" or the "Company") Distribution Operations; and Senior Director of Technology Operations with responsibilities for enterprise application environments including SAP and Oracle Fusion, analytics and technology portfolio and project management. In June 2018, I moved into my current role.

Q. WHAT IS YOUR CURRENT POSITION AND WHAT ARE YOUR JOB RESPONSIBILITIES?

A. In June, 2018, I became Director of the IMO, with responsibility to oversee and manage the integration activities of CNP, the parent of CenterPoint Houston, with Vectren Corporation ("Vectren"), and with responsibility for planning, implementing, managing, and reporting on progress related to the integration activities. These activities including project planning, tracking and reporting; communications; risk management; financial reporting; integration; and issue resolution. My rebuttal testimony in this proceeding relates to my role as Director of the IMO.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of CenterPoint Houston.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I respond to the direct testimony of Gulf Coast Coalition of Cities ("GCCC") witness Lane Kollen and his proposals to either establish a "Merger Savings Rider" or make an adjustment to the Company's test year costs related to the Vectren acquisition. In addition, I respond to Public Utility Commission of Texas

("Commission") Staff witness. Mark Filarowicz and his proposal to recognize gross labor savings associated with the post-test year restructuring following the Vectren acquisition, as a known and measurable change. In each instance, I discuss Vectren acquisition related savings and the costs to achieve those savings ("costs to achieve"). My testimony demonstrates that net savings related to the Vectren acquisition are not known and measurable at this time and that CNP is currently incurring significant costs to achieve future savings. In addition, my testimony shows that both Mr. Kollen's and Mr. Filarowicz's proposals to address potential savings from the Vectren acquisition are extraneous and inapplicable and that the existing regulatory construct is already in place to address any net savings that may accrue to CenterPoint Houston during the interim period between this proceeding and 2023, the Company's next expected base rate proceeding.

Q. HAVE YOU INCLUDED ANY EXHIBITS WITH YOUR TESTIMONY?

A. Yes. I supervised the preparation of the exhibits listed in the table of contents.

II. <u>INTERVENOR AND STAFF PROPOSALS RELATED TO VECTREN</u>

Q. PLEASE DESCRIBE MR. KOLLEN'S PROPOSALS RELATED TO VECTREN.

A. Mr. Kollen's primary recommendation is to establish a rider that would remain in effect until savings associated with the integration of Vectren and CNP can be reflected in the Company's base revenue requirement through its next base rate proceeding. [redacted] Alternatively, he appears to propose adjusting test year cost of service by the estimated first year acquisition related savings as a "known and measurable" adjustment.

Q. PLEASE DESCRIBE MR. FILAROWICZ'S PROPOSAL RELATED TO VECTREN.

A. Mr. Filarowicz proposes [redacted] following the Vectren acquisition as a known and measurable change applicable to the Company's test year cost of service.

Q. ARE EITHER OF MR. KOLLEN'S OR MR. FILAROWICZ'S PROPOSALS RELATED TO ANTICIPATED VECTREN SAVINGS REASONABLE?

A. No. As detailed below, Mr. Kollen's proposals ignore the fact that, before savings related to the acquisition of Vectren can occur, significant costs must be incurred on the front-end to achieve any potential resulting savings. Last year, this year, and for at least the next couple of years, the costs to achieve future savings are expected to offset some or all of the amount of savings being realized as a result of CNP's synergy efforts. Additionally, CNP does not expect substantial direct savings for CenterPoint Houston. [redacted] Further, both proposals ignore the current regulatory construct surrounding CenterPoint Houston, which will appropriately address any potential net acquisition savings that may accrue to CenterPoint Houston.

III. SAVINGS AND COSTS TO ACHIEVE SAVINGS

Q. PLEASE BRIEFLY DESCRIBE THE VECTREN ACQUISITION.

A. In April 2018, CNP entered into an agreement and plan of merger with Vectren. Following the satisfaction of various closing conditions, including federal and state regulatory approvals, the transaction closed on February 1, 2019.[1]

Q. PLEASE BRIEFLY DESCRIBE VECTREN'S CURRENT OPERATIONS.

A. As noted in Company witness Mr. Kenny M. Mercado's direct testimony, Vectren's natural gas utility operations (comprised of Indiana Gas Company, Inc., Vectren Energy Delivery of Ohio, Inc. and Southern Indiana Gas and Electric Company) provide natural gas distribution and transportation services to nearly 67% of Indiana and about 20% of Ohio, primarily in the west-central area. Vectren's electric operations (comprised of Indiana Electric) provide electric transmission and distribution services to southwestern Indiana, and include power generating and wholesale power operations. In total, these utility operations supply natural gas and electricity to over one million customers in Indiana and Ohio. Vectren also has activities in infrastructure and energy services businesses.

Q. IS CNP SEEKING ANY VECTREN-RELATED TRANSACTION COSTS IN THIS PROCEEDING?

A. No. CNP has committed to not seek recovery of any transaction costs from Texas electric customers.

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[1] *See* Exhibit R-JSM-1 for a brief overview of CNP's history, including the Vectren transaction.

Q. IS THE ACQUISITION OF VECTREN IMPACTING THE DAY-TO-DAY OPERATIONS OF CENTERPOINT HOUSTON?

A. No.

Q. WHY NOT?

A. Obviously, from a geographic perspective, utility operations in Indiana and Ohio are unlikely to impact utility operations in Texas. Also, CenterPoint Houston and Indiana Electric have separate organizational and reporting structures within CNP. Additionally, Indiana Electric is a "fully bundled" electric utility regulated by the Indiana Utility Regulatory Commission and operates in a unique location with a much smaller customer base than CenterPoint Houston. CenterPoint Houston is a transmission and distribution ("T&D") only utility operating in the ERCOT market, subject to the regulation of the Commission. Thus far, CNP has identified no instances or planned any initiatives where the day-to-day operation of Indiana Electric would affect the day-to-day operations of CenterPoint Houston or vice versa.

Q. PLEASE DESCRIBE THE INTEGRATION EFFORTS THAT ARE UNDERWAY TO COMBINE THE COMPANIES.

A. CNP and Vectren are both committed to integrating our talent, processes, systems and infrastructure into a combined company. The Company began planning for the integration shortly after the transaction was announced in 2018. The implementation of the integration efforts began immediately after the closing of the transaction and are ongoing. Some examples of the integration efforts undertaken thus far include: internal labor reductions due to restructuring and/or reorganizing

CNP, and non-labor operations changes relating to external fees, subscriptions, and administrative and general ("A&G") costs.

Q. MR. KOLLEN ASSERTS THAT CNP'S ACQUISITION OF VECTREN WILL RESULT IN SAVINGS TO CENTERPOINT HOUSTON. IS THAT ASSERTION TRUE?

A. Possibly. However, it has been less than 140 days since the closing of the transaction and at this time we do not know for certain what savings or costs to achieve will be realized. Accordingly, we cannot calculate what net savings may ultimately flow through to CenterPoint Houston. We do know for certain that costs are currently being incurred so as to attempt to achieve future cost savings. As such, any discussion of synergies related to the Vectren acquisition must include both expected savings and costs to achieve those savings.

Q. ARE YOU AWARE OF ANY FACTORS THAT MAKE IT DIFFICULT TO ESTIMATE THE IMPACT OF ANY EVENTUAL NET SAVINGS RELATED TO THE ACQUISITION?

A. Yes. The most significant unknown is the cost to integrate technology systems. This is due to the fact that the Company must standardize all of its processes for operations, customer experience, accounting, and finance. In addition, many of the Company's expected savings will be impacted by factors that include the future cost of goods and services and labor. Some examples include labor costs for electric line skills that are being affected by increases in demand in California; increased cost of materials because of new or increased tariffs on goods from China and Mexico, such as computers and transformers; and increased cost of services that are due to events in non-CNP jurisdictions, such as costs of insurance premiums. We are unable to project how these factors will ultimately impact net savings at this point.

Q. DOES MR. KOLLEN ADDRESS COSTS TO ACHIEVE IN HIS TESTIMONY?

A. Not explicitly, nor even consistently between his two alternate proposals. Only in his proposed rider does he suggest that savings be reduced by "estimated ongoing expenses." [redacted] In his second alternate proposal, he simply suggests that the test year cost of service be reduced by projected first year merger savings as a "known and measurable" adjustment, with no recognition of costs to achieve.

Q. DOES MR. FILAROWICZ ADDRESS COSTS TO ACHIEVE IN HIS TESTIMONY?

A. No, he does not. He only considers information related to gross savings.

Q. WERE BOTH MR. KOLLEN AND MR. FILAROWICZ MADE AWARE THAT GROSS SAVINGS ASSOCIATED WITH THE VECTREN ACQUISITION WERE ACCOMPANIED BY REQUIRED COSTS TO ACHIEVE?

A. Yes they were. CNP provided numerous projections of gross savings and costs to achieve in response to the GCCC01-14 data request. In addition, in response to PUC02-18,[2] the Company identified the severance costs incurred through the first

[2] *See* Exhibit R-JSM-2.

quarter of 2019 that had been required to achieve the ensuing labor savings portion of 2019 targeted O&M savings. Company witness Lynne Harkel-Rumford speaks to the reasonableness of severance costs attributed to CenterPoint Houston.

Q. MR. FILAROWICZ SUGGESTS THAT THE COMPANY IS POTENTIALLY HIDING OTHER VECTREN-RELATED SAVINGS BECAUSE IT HAD NOT REFLECTED GROSS LABOR SAVINGS FROM THE VECTREN RESTRUCTURING AS A KNOWN AND MEASURABLE CHANGE TO ITS FILING. IS THIS TRUE?

A. No. Mr. Filarowicz's assertion that CNP has been anything less than transparent is misplaced. Since the beginning stages of the announced acquisition, CNP has focused on transparency as it has thoughtfully, methodically, and collaboratively proceeded through the acquisition process with industry experts PricewaterhouseCoopers ("PWC") and others. Unfortunately, there are still many unknowns with respect to costs and savings that won't become knowable until associated savings have been realized and attendant costs incurred. I discuss the Company's current savings targets and estimated costs to achieve below. In fact, had the Company attempted to quantify *both estimated* labor savings and now known associated costs to achieve as a known and measurable change to its test year, an increased cost of service would have resulted.

Q. SETTING ASIDE THE INCONSISTENCIES BETWEEN MR. KOLLEN'S PROPOSALS AS WELL AS THE FAILURE OF EITHER WITNESS TO ADDRESS COSTS TO ACHIEVE, DO BOTH INTERVENOR WITNESSES ATTEMPT TO BYPASS THE EXISTING REGULATORY CONSTRUCT THAT IS DESIGNED TO ASSESS AND ADDRESS A UTILITY'S EARNINGS BETWEEN RATE CASES?

A. Yes. It is my understanding that the Texas Administrative Code ("TAC") requires each Texas electric utility subject to Securities and Exchange Commission reporting to file an earnings report ("Earnings Monitoring Report" or "EMR") with the Commission.[3] Based on the annual EMR filing, the Commission can assess whether the utility is meeting or exceeding its allowed rate of return.

Q. IS THE REQUIRED EMR FILING RELEVANT IN THE CONTEXT OF ADDRESSING ACQUISITION SAVINGS?

A. Yes, especially as it relates to the provisions of the Distribution Cost Recovery Factor ("DCRF") rule,[4] which provides utilities the opportunity to receive a return of and on distribution capital expenditures between base rate proceedings.

Q. CAN YOU PLEASE EXPLAIN?

A. Yes. The EMR filing will appropriately reflect any gross allocated acquisition savings and associated costs to achieve assigned to CenterPoint Houston. If potential net acquisition savings result in CenterPoint Houston exceeding its allowed rate of return, no DCRF adjustment is permissible.[5] As a result,

[3] 16 TAC §25.73.
[4] 16 TAC §25.243.
[5] 16 TAC §25.243(e)(4).

CenterPoint Houston's earnings from potential acquisition savings or any other factor will never go unchecked.

Q. WHAT TYPES OF SAVINGS DOES CNP EXPECT TO BE ACHIEVED AS A RESULT OF THE VECTREN ACQUISITION?

A. Initially, CNP estimated that (for all of CNP and its affiliates) savings from the acquisition might reach $50-$100 million annually, pre-tax, and excluding certain one-time costs associated with the acquisition. Currently, CNP's internal estimates are targeting operations and maintenance ("O&M") savings of greater than $50 million in 2019 and greater than $75 million in 2020, pre-tax and excluding costs to achieve. CNP is also targeting capital savings. However, such amounts will necessarily be determined by the needs of its business units in future years.

Q. WHAT ARE CNP'S EXPECTED COSTS TO ACHIEVE THE ABOVE O&M SAVINGS OVER THE COURSE OF THE NEXT FIVE YEARS?

A. As noted above, at this time we do not know for certain what savings or costs to achieve will be realized[redacted]

Q. WHICH CNP BUSINESSES ARE EXPECTED TO BENEFIT MOST FROM ANTICIPATED SAVINGS AND SYNERGIES?

A. Our gas operations and corporate services will likely benefit the most from net savings and synergies.

Q. IS CENTERPOINT HOUSTON EXPECTED TO EXPERIENCE DIRECT BENEFITS FROM THE COMPANY'S SAVINGS AND SYNERGY EFFORTS?

A. Yes, but not to the extent of CNP's other business units, because of the different business processes associated with a T&D service provider compared to the gas utilities or legacy-Vectren's fully integrated electric utility, and also because of the other differences between the two electric utilities that I had described earlier.

Q. HOW ARE SAVINGS EXPECTED TO OCCUR AND BE REALIZED?

A. Savings can be categorized into three areas: labor, non-labor operations, and non-labor sourcing. Labor savings result from internal labor reductions due to restructuring and/or reorganizing CNP. Non-labor operations savings result from less spend on contract resources, technology rationalization, external fees, subscriptions, and A&G costs. Non-labor sourcing savings are expected to follow lower negotiated unit costs over time due to the greater buying power of a larger CNP, and due to consolidation of the number of suppliers across the combined company.

Q. WHAT ARE COSTS TO ACHIEVE AND HOW ARE THEY INCURRED?

A. The most significant costs to achieve are integration costs, systems integration costs, and separation costs. Integration costs include costs to execute the integration planning and integration implementation activities. CNP retained PwC as a consultant to aid in identifying synergies. Systems integration costs will be significant and are critical to integrate CNP and Vectren technology, including operations, customer experience, accounting, and financial systems. This will take time. Finally, CNP will incur separation costs – costs paid to CNP and Vectren employees that are severed as a result of the attempt to achieve future synergies after the acquisition. While Figure 1 presents early estimates of O&M costs to achieve in each of those categories for the next 5 years, CNP is still working on determining what its capital system integration costs will be. It is important to recognize that all of these estimates are changing daily.

Figure 1. Early Estimate of O&M Costs to Achieve ($ millions, pre-tax)[6]

[redacted]

Q. CAN YOU EXPLAIN THE PROCESS THAT CNP HAS UNDERTAKEN TO ARRIVE AT ITS CURRENT ESTIMATES OF COST SAVINGS AND COSTS TO ACHIEVE?

A. Yes. In collaboration with PwC, CNP and Vectren conducted a disciplined, four-step process over eight months prior to the acquisition to engage business leaders to identify both best practices and savings opportunities, or synergies. That Integration Planning process ended following the close of the acquisition, and was followed by the Integration Implementation process, that is underway and will continue for the next couple of years.

Q. HAS THE PROCESS BEEN SUCCESSFUL THUS FAR?

A. Yes. First and foremost, we successfully completed the transaction on February 1, 2019, as planned, without impact to our customers or shareholders. An

[6] The anticipated costs to achieve shown in Figure 1 exclude additional minor costs to achieve associated with internal/external communication costs.

organizational redesign across the new company was implemented, and our employees and officers are engaged in implementing a series of about 380 cost-saving initiatives that were chartered by our integration teams.

Q. CAN YOU EXPLAIN THE TERM "TARGET" AS IT RELATES TO CNP'S PROJECTED O&M AND CAPITAL SAVINGS RELATED TO THE ACQUISITION?

A. CNP uses the term "target" frequently in reference to savings simply because those savings cannot be known at this time. They are savings CNP is attempting, but not guaranteed, to achieve.

Q. ARE ANY SAVINGS OR COSTS TO ACHIEVE REFLECTED IN THE COMPANY'S RATE FILING?

A. Yes, those savings and costs known during the test year are included. More specifically, [redacted] We have included these amounts in the Company's rate filing.

Q. HAVE ANY SAVINGS OCCURRED SINCE THE END OF THE TEST YEAR ON DECEMBER 31, 2018?

A. Yes. To date, savings, excluding costs to achieve, have been realized in several areas: Labor – savings from the salaries of severed employees, Non-Labor Operations – reduced costs for insurance, external fees, consulting, subscriptions, A&G costs, and Non-Labor Sourcing – reduced costs for software, materials/supplies, services.

Q. **WHAT COSTS TO ACHIEVE HAVE BEEN INCURRED BY CNP SINCE THE END OF THE TEST YEAR ON DECEMBER 31, 2018?**

A. CNP has incurre[redacted] The remaining costs are related to integration costs for our consultant, PwC and some system integration costs.

Q. **DID CNP'S SHAREHOLDERS INCUR ANY COSTS TO ACHIEVE IN 2018?**

A. Yes. CNP shareholders incurred approximately $155 million in transaction costs through 3/31/19.[7]

Q. **THE MATERIALS REVIEWED BY MR. KOLLEN IN DISCOVERY REFERENCE POTENTIAL CAPITAL INVESTMENT TARGETS AND SAVINGS. HOW ARE CAPITAL INVESTMENT SAVINGS ACHIEVED?**

A. Primarily, capital savings are achieved through lower negotiated prices for capital purchases, because of the increased scale and buying power of CNP.

[7] As identified by CenterPoint Houston in response to RFI OPC01-13.

Q. IF CNP IS ABLE TO PROCURE LOWER PRICES FOR MATERIALS USED BY CENTERPOINT HOUSTON, SUCH AS POLES OR TRANSFORMERS, WILL THOSE SAVINGS BE PASSED ON TO CUSTOMERS?

A. Yes. Through the Company's Distribution Cost Recovery Factor and Transmission Cost of Service Filings, any capital savings created as a result of CenterPoint Houston being an affiliate of CNP, with its ability to make use of increased scale, will be reflected in those filings.

IV. NO RIDER OR ADJUSTMENT RELATED TO VECTREN SHOULD BE APPROVED

Q. IS APPROVAL OF MR. KOLLEN'S "MERGER SAVINGS RIDER" OR, ALTERNATIVELY, HIS PROPOSED ADJUSTMENT TO THE COST OF SERVICE APPROPRIATE?

A. No. At this time, final savings estimates are just that – estimates. They are not known. And, while CNP expects there will be savings as a result of acquisition of Vectren, those savings require expenditures to achieve them. Most savings are achieved by elimination of duplicate costs, such as corporate functions, fees, memberships, etc. Additional savings are achieved through the larger scale of the combined companies, in areas such as sourcing of materials and supplies. To achieve these savings in a sustainable manner that maintains the current levels of service and safety takes a coordinated and concerted effort, primarily by employees and consultants with subject matter expertise in the specific areas of potential savings.

These integration activities cost money and take time, and will offset some or all of the savings for the next few years. The tracking of and attempting to return only gross integration savings, without recognizing the associated costs to achieve those savings, provides an incomplete analysis and should not occur. For example, if actual costs to achieve were included in Mr. Kollen's proposed "Merger Savings Rider," the result for 2019 would be a surcharge to customer bills – not a refund. Similarly, if Mr. Filarowicz's proposed test year adjustment for known and measurable changes accurately reflected gross savings and attendant costs, an increased cost of service would also result in higher customer bills.

More importantly, however, Mr. Kollen's and Mr. Filarowicz's proposals on how to handle acquisition related savings are unnecessary and ignore the ratemaking provisions of and interplay between the EMR and DCRF recovery mechanism. The annual EMR filing will appropriately reflect both potential gross savings and the associated and necessary costs to achieve. If potential net savings result in CenterPoint Houston exceeding its allowed rate of return, no DCRF adjustment is permissible. As a result, CenterPoint Houston's earnings from potential net savings will be both captured and addressed. Moreover, it is my understanding that under the Commission's rules, CenterPoint Houston will be required to file a base rate case approximately four years following the implementation of rates in this case, unless the Commission extends the filing date. At that time, gross savings and the associated and necessary costs to achieve will be known and captured in the test year cost of service.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

STATE OF TEXAS §
§
COUNTY OF HARRIS §

AFFIDAVIT OF JEFFREY S. MYERSON

BEFORE ME, the undersigned authority, on this day personally appeared Jeffrey S. Myerson who having been placed under oath by me did depose as follows:

1. "My name is Jeffrey S. Myerson. I am of sound mind and capable of making this affidavit. The facts stated herein are true and correct based upon my personal knowledge.

2. I have prepared the foregoing Rebuttal Testimony and the information contained in this document is true and correct to the best of my knowledge."

Further affiant sayeth not.

Jeffrey S. Myerson

SUBSCRIBED AND SWORN TO BEFORE ME on this 17th day of June, 2019.

Notary Public in and for the State of Texas

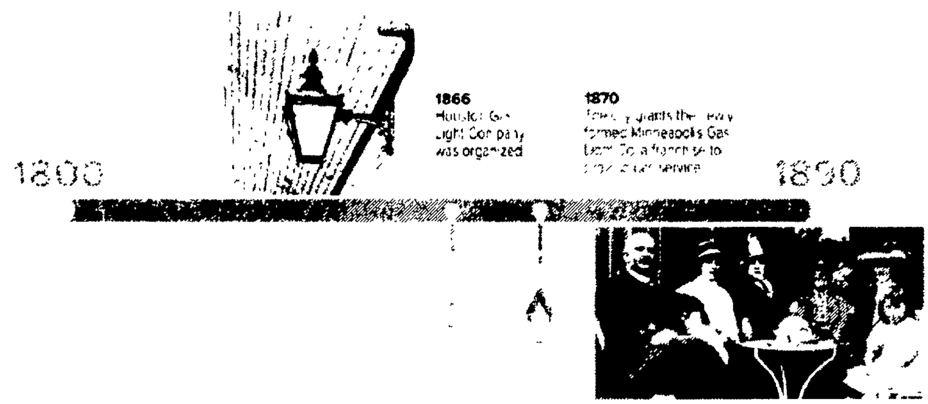
My commission expires: March 10, 2021

PETRA CUSTER
NOTARY ID #12683270-2
My Commission Expires
March 10, 2021

CenterPoint. Energy

Sign In / Register

Company History



With more than 14,000 employees, CenterPoint Energy and its predecessor companies have been in business for more than 140 years.

1866 Houston Gas Light Company was organized to supply gas made from oyster shells and coal for the street lights in a coastal village in southeast Texas

1870 The city of Minneapolis granted the newly formed Minneapolis Gas Light Co a franchise to provide gas service with gas manufactured from coal or oil at a plant along the Mississippi River.

1882 Houston Electric Light & Power filed a charter and was granted a franchise by the Houston City Council Over the next century, HL&P generated electricity from steam, natural gas, coal or lignite and finally nuclear fission for sale and delivery to retail customers in the rapidly growing greater Houston area.

1905 An organization of businessmen was granted the first franchise for distribution of natural gas in Shreveport, La

1990 These three businesses merged to form a company that became NorAm Energy Corp.

1995 NorAm Energy Services began marketing wholesale electric power nationwide. NorAm Energy Management was established for retail energy marketing and NorAm gas gathering assets were unbundled and transferred to NorAm Field Services

1997 NorAm merged with Houston Industries, Inc., the parent company of HL&P to become one of the United States' largest integrated energy companies

1999 The company was named Reliant Energy, Inc

2002 With the restructuring of the electric market in Texas, the company spun off its retail electric as Reliant Resources. Within two years, the company would also sell its electric generation assets. The remaining mostly regulated energy delivery company adopted the name CenterPoint Energy to reflect our role in the center of the energy value chain and the center of our customers' lives

2013 On March 14, CenterPoint Energy announced it was teaming up with ArcLight Capital Partners LLC and Oklahoma City-based OGE Energy Corp (NYSE: OGE) in an $11 billion deal to create one of the largest master limited partnerships in the U.S. The joint venture includes OGE Energy and ArcLight's midstream transportation, gathering and processing business, Enogex LLC, and all of CenterPoint Energy's interstate pipelines and field service businesses ArcLight Capital Partners is a Boston-based energy investment firm.

On May 1, CenterPoint Energy combined its interstate pipeline and field services businesses with the midstream operations of OGE Energy and ArcLight Capital to create a new master limited partnership: Enable Midstream Partners.

2018 On April 23, CenterPoint Energy and Vectren Corporation entered into a definitive merger agreement to form a leading energy delivery, infrastructure and services company

2019 In February, Vectren Energy becomes a subsidiary of CenterPoint Energy and the combined company serves more than 7 million metered customers across the U.S. and employs approximately 14,000.

Exhibit R-JSM-2 is Highly Sensitive and will be provided
pursuant to the terms of the Protective Order issued in Docket No. 49421.