



Control Number: 49421



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**SOAH DOCKET NO. 475-19-3864
PUC DOCKET NO. 49421**

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**APPLICATION OF CENTERPOINT § BEFORE THE STATE OFFICE
ENERGY HOUSTON ELECTRIC, LLC § PUBLIC UTILITY COMMISSION
FOR AUTHORITY TO CHANGE RATES § OFFILING CLERK
ADMINISTRATIVE HEARINGS**

**COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION TO
OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
QUESTION NOS. STAFF 5-1 THROUGH 5-17**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the Commission Staff of the Public Utility Commission of Texas (Commission) requests that CenterPoint Energy Houston Electric, LLC, by and through their attorneys of record, provide the following information and answer the following question(s) under oath. The questions shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326.

Dated: April 30, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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**SOAH DOCKET NO. 475-19-3864
PUC DOCKET NO. 49418**

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 30, 2019, in accordance with 16 TAC § 22.74.



Rustin Tawater

**SOAH DOCKET NO. 475-19-3864
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**COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION TO
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DEFINITIONS

- 1) "CEHE" or "you" refers to CenterPoint Energy Houston Electric, LLC and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

- 2) "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do exist and these documents will be provided.

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**COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION TO
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QUESTION NOS. STAFF 5-1 THROUGH 5-17**

INSTRUCTIONS

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to 16 TAC § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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**COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION TO
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QUESTION NOS. STAFF 5-1 THROUGH 5-17**

Vegetation Management

- Staff 5-1** In regards to WP RMP-1: In the test year, CenterPoint spent a total of \$35.02M on tree trimming (total proactive trimming, hazard tress, and reactive).
- a) From 2011-2018, the median the Company spent on Tree Trimming was approximately \$27.5M annually, and the average was \$27.8M annually. Please explain why this amount is greater than the average and the median the Company spent during the years 2011-2017?
 - b) P. 3 of WP RMP-1 states: "Over the past four years, overhead pole miles (feeder-main and laterals have increased an average of 171 miles per year. With more miles of distribution line to maintain, the Company's costs associated with proactive tree trimming have increased." How many overhead pole miles did CenterPoint add between 2017 and 2018? Is the increase from \$21.73M in 2017 to \$28.02M in 2018 for Proactive Tree Trimming due to any other factors?
 - c) To which FERC account(s) were these tree trimming expenses charged?

- Staff 5-2** Referring to WP RMP-1: Is CenterPoint seeking to capitalize any vegetation management costs in this Application?

For any vegetation management costs that CenterPoint seeks to capitalize, please answer the following:

- a) Please explain the project and provide the dollar amount of the expenses that were incurred for the rebuilding, reconductoring, or upgrading of existing transmission facilities and provide the amount that was used for the clearing of additional ROW, if any.
- b) Please explain and provide the dollar amount of the expenses for the project that were incurred in association with/for new transmission facilities.
- c) Please explain why the expenses for the project were not included in the original ROW clearing for facilities.
- d) If these vegetation management expenses were incurred for existing lines, please provide documentation showing the dates the expenses were incurred for the existing transmission lines and the date those existing lines were energized. Please provide the information per transmission line.
- e) To which FERC account(s) were the expenses charged?

Follow-up to Response to Staff 1-39

- Staff 5-3** Please confirm: Are all of the substation facilities referred to as Jones Creek in CenterPoint's response to Staff's RFI 1-39 in service? If no, please explain why the company is seeking their recovery.

Staff 5-4 Please confirm: Are all of the substation facilities referred to as Bailey in CenterPoint's response to RFI 1-39 in service? If no, please explain why the company is seeking their recovery?

Staff 5-5 Is the Company seeking recovery of any of the costs associated with the pending docket 48629, *Application of CenterPoint Energy Houston Electric, LLC to Amend a Certificate of Convenience and Necessity for a Proposed 345 kV Transmission Line within Brazoria, Matagorda, and Wharton Counties, Texas*? If yes, please provide justification.

Staff 5-6 In Docket 48251, CenterPoint stated that its median cost for substations greater than 100 MVA, not including land cost, was \$9,152,689 (Item No. 25 in AIS, p.4). Please explain in detail why, per CenterPoint's response to Staff's RFI 1-39, the 'Total excluding AFUDC' for the following substations (even when considering the land cost) exceeded this self-reported median substation cost:

- a) Springwoods (Total excluding AFUDC=\$12,696,368.11, including land=\$1,442,038.85)
- b) Village Creek Substation (Total excluding AFUDC=\$12,215,203.14, including land=\$1,255,612.00)
- c) Rothwood (Total excluding AFUDC=\$20,770,060.98, including land=\$3,820,518.08)
- d) Zenith 345 kV (Total excluding AFUDC=\$14,106,801.99, doesn't include land cost)
- e) Jordan 345/138 kV (Total excluding AFUDC=\$25,469,973.24, including land=\$2,014,000.00)
- f) Jones Creek (Total excluding AFUDC=\$66,195,043.12, doesn't include land cost)
- g) Bailey Substation (Total excluding AFUDC=\$10,846,801.93, doesn't include land cost)

Staff 5-7 Please explain in detail the \$3,334,676.77 Land, Land Rights and Other Common Costs (if T&D) for the Tanner Substation (as CenterPoint stated in Response to Staff RFI 1-39). In your response, please include the total amount of acreage and/or miles of easement purchased and any other unique factors which increased the cost.

Miscellaneous

Staff 5-8 In reference to the substation costs in Exhibit DB-5:

- a) Are these pre-construction cost *estimates* or actual final project costs?
- b) If these costs are estimates, please provide the actual final project costs.
- c) For the Tanner Substation, please explain the difference between the Total Amount listed in DB-5 (\$13,452,950) and the 'Total including AFUDC' listed in CenterPoint's response to Staff's 1-39 for this substation (\$12,790,474.13).
- d) For the Springwoods Substation, please explain the difference between the Total Amount listed in DB-5 (\$21,332,237) and the 'Total including

AFUDC' listed in CenterPoint's response to Staff's 1-39 for this substation (~\$13.5M).

- e) For the Sandy Point Substation, please explain the difference between the Total Amount listed in DB-5 (\$8,466,500) and the 'Total including AFUDC' listed in CenterPoint's response to Staff's 1-39 for this substation (\$11,042,087.70).

Staff 5-9 In reference to the Workpapers for RMP-2, which list the Capital Projects from 2010-2018:*

- a) For the transmission FERC Account 350, which is for Land and Land Rights, please confirm that all these lands contain facilities that are energized. If not, please provide the specific workpaper Excel file(s) the project is located in (and the Asset Description, Doc. No., and Excel line item number(s)). Additionally, please explain why CenterPoint is seeking to capitalize that particular land cost.
- b) For the distribution FERC Account 360, which is for Land and Land Rights, please confirm that all these lands contain facilities that are energized. If not, please provide the specific workpaper Excel file(s) the project is located in (and the Asset Description, Doc. No., and Excel line item number(s)). Additionally, please explain why CenterPoint is seeking to capitalize that particular land cost.

*In your response, please reference Schedule II-B-1 Line Numbers 10-11 and 24-25 as appropriate.

Monthly Construction Report & Follow-up to Response to Staff RFI 1-37

Staff 5-10 The Order in Docket 41749, CCN for Oyster Creek 138kv transmission line, states the Commission agreed with a cost estimate for the line of \$11.1 million. By the time the project was added to the MPCR, the estimate had risen to \$12.5 million. The final cost CenterPoint reported in response to Staff RFI 1-37 was \$15.3 million. Explain the 38% increase from the CCN estimate to the final cost reported in response to Staff RFI 1-37.

Staff 5-11 Explain the 17% increase in the cost of the Springwoods Station from the initial estimated cost of \$11.5 million reported in the MCPR to the final cost of \$13.5 million reported in Staff RFI 1-37.

Staff 5-12 Explain the 30% increase in the cost of the Oyster Creek Substation from the initial estimated cost of \$6 million reported in the MCPR to the final cost of \$7.8 million reported in response to Staff RFI 1-37.

Staff 5-13 Explain the 62% increase in the final cost of the Tanner Substation from the \$7.9 million reported in the MCPR to the final cost of \$12.8 million reported in response to Staff RFI 1-37.

Excess Deferred Income Taxes

Staff 5-14 Please identify all places where the Company employed the use of estimates in calculating its excess deferred income tax amounts. For each estimate identified, provide the calculation in which the estimate was used, a justification for why an estimate was needed, and a justification for the particular estimate used.

Vectren

Staff 5-15 Please identify any known and measurable adjustments that the Company made to its test year amounts for any reason pertaining to Vectren or to CenterPoint's acquisition of Vectren.

Staff 5-16 Did any other regulatory body (besides the PUCT) issue any ring fencing orders regarding CenterPoint's acquisition of Vectren? If so, please identify all instances and please provide a copy of any orders and all documents which the Company possesses relating to the issue of ring fencing before any other regulatory body.

Municipal Franchise Agreements

Staff 5-17 Please provide copies of any new municipal franchise agreements that the Company has entered into since the end of the test year in Docket No. 38339.