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SOAH DOCKET NO. 473-19-3864

PUC DOCKET NO. 49421

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

**COMMISSION STAFF'S RESPONSE TO CENTERPOINT
ENERGY HOUSTON ELECTRIC, LLC (CEHE)
SECOND REQUEST FOR INFORMATION
QUESTION NOS. 2-1 THROUGH 2-8**

The Staff of the Public Utility Commission of Texas (Staff) stipulates that the following response(s) to request(s) for information/production/disclosure may be treated by all parties as if the answers were filed under oath.

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Dated: June 20, 2019

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on June 20, 2019, in accordance with 16 TAC § 22.74.



Rashmin J. Asher

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2-1 Please refer to Exhibit AM-2 of the Direct Testimony of Alicia Maloy. Please identify the proceedings on Exhibit AM-2 in which Ms. Maloy addressed weather normalization issues.

RESPONSE: Docket No. 45524 *Application of Southwestern Public Service Company for Authority to Change Rates*

Prepared by: Rashmin Asher

Sponsored by: Alicia Maloy

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2-2 Please refer to page 8, line 15 through page 9, line 3 of the Direct Testimony of Alicia Maloy, in which she testifies that she “smoothed the hourly temperatures.” In prior dockets, when calculating average daily temperatures, has Ms. Maloy always smoothed the hourly temperatures? If the answer is no, please provide an explanation for each docket in which Ms. Maloy did not smooth the temperatures.

RESPONSE 1 No. I did not use smoothing in Docket No. 45524, but incorporated smoothing in this docket based on the reasoning my direct testimony on page 9 lines 6-12.

Prepared by: Rashmin Asher
Sponsored by: Alicia Maloy

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2-3 Please refer to page 14, line 21 through page 15, line 1 of the Direct Testimony of Alicia Maloy, in which she testifies, "A T-statistic with a value less than 1.96 would decrease the level of confidence that the coefficient is statistically valid in the regression model." Does Ms. Maloy agree that a coefficient that has a confidence level below 95% may sometimes be valid to include in the regression model?

RESPONSE: Yes, but the model is a stronger model when variables have a confidence level at 95% or above.

Prepared by: Rashmin Asher
Sponsored by: Alicia Maloy

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2-4 Please refer to page 20, line 28 of the Direct Testimony of Alicia Maloy. Please confirm that the reference to “[t]he rate filing package” is a reference to the rate filing package for distribution cost recovery factor (DCRF) filings pursuant to 16 Texas Administrative Code § 25.243 (referenced in lines 24-25) and not to the rate filing package for cost of service rate filings such as the one in this proceeding.

RESPONSE: Confirm.

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Sponsored by: Alicia Maloy

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2-5 Please refer to page 5, line 19 through page 6, line 2 of the Direct Testimony of Alicia Maloy. Please state whether Ms. Maloy believes that using a different time period for normalization regression models than the normalized time period is inconsistent with Commission precedent.

RESPONSE: I am not aware of Commission precedent for this issue.

Prepared by: Rashmin Asher
Sponsored by: Alicia Maloy

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2-6 Please refer to page 6, lines 3 through 6 of the Direct Testimony of Alicia Maloy. Other than Commission precedent, is there a mathematical reason or standard statistical practice that supports excluding the test year from the weather normalization regression models?

RESPONSE: Yes. Please refer to page 22, lines 14-15 of the Direct Testimony of Alicia Maloy, which states "Using the test year within the weather normalization regression models may create a bias toward the actual test year weather."

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Sponsored by: Alicia Maloy

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2-7 Please admit or deny that Ms. Maloy's calculation of a coefficient for heating or cooling degree days for any month (i.e., the Coefficient for heating degree days in January or the Coefficient for cooling degree days in July) uses only 10 data points (a total of heating or cooling degree days for that month in each of 10 years).

RESPONSE: Admit

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2-8 Has Ms. Maloy performed any study or analysis of the periods used by utilities or regulators in other states to determine normal weather? If so, please provide a copy of each such study or analysis or, if the results of the study or analysis were not reduced to writing, a description of the study or analysis, for whom it was conducted, how it was conducted, and Ms. Maloy's conclusions.

RESPONSE: No.

Prepared by: Rashmin Asher
Sponsored by: Alicia Maloy