



Control Number: 49421



Item Number: 647

Addendum StartPage: 0

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

**APPLICATION OF CENTERPOINT
ENERGY HOUSTON ELECTRIC,
LLC FOR AUTHORITY TO CHANGE
RATES**

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**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**

**H-E-B, LP'S RESPONSE TO CENTERPOINT ENERGY HOUSTON ELECTRIC,
LLC'S MOTION TO STRIKE**

COMES NOW, H-E-B, LP ("H-E-B") and files this Response to CenterPoint Energy Houston Electric, LLC's ("CenterPoint") Motion to Strike Portions of the Cross-Rebuttal Testimony of George W. Presses ("Motion to Strike"). Pursuant to SOAH Order No. 2, this response is timely filed.¹

CenterPoint seeks to strike essentially the entirety of Mr. Presses' cross-rebuttal testimony. Throughout his cross-rebuttal testimony, Mr. Presses continually points out areas in the intervenor direct testimony that fail to address the adequacy of service provided by CenterPoint, which H-E-B asserts should be the central focus of this proceeding. In such discussions, Mr. Presses distinguishes the portions of the intervenor testimony he disagrees with from those that he supports. CenterPoint provides examples of quotes of Mr. Presses' testimony that express support for the intervenor testimony, but CenterPoint fails to include the correlating sections of Mr. Presses' testimony in which he disputes the recommendations and findings of the intervenors.

The most blatant example of CenterPoint's failure to recognize Mr. Presses' refutation of the intervenor testimony is CenterPoint's assertion that Mr. Presses "simply

¹ SOAH Order No. 6: Memorializing Prehearing Conference; Granting Motions to Intervene; Ruling on Joint Objection to CenterPoint's Errata I; Adopting Amended Procedural Schedule; and Discussing TIEC's Motion to Compel at 5 (Jun. 4, 2019).

647

endorses” the testimony of Mr. Norwood.² CenterPoint ignores that Mr. Presses contests Mr. Norwood’s conclusions that CenterPoint has provided reliable service. The portions of Mr. Norwood’s testimony that Mr. Presses agrees with are discussed to demonstrate how Mr. Norwood’s testimony regarding CenterPoint’s investments in reliability projects actually supports H-E-B’s position that CenterPoint is not providing reliable service to its customers.

In his direct testimony, Mr. Norwood concludes that the number of customer complaints received by CenterPoint is evidence of customer satisfaction. He further states that there is no indication that customers of CenterPoint are dissatisfied by the quality of service provided by CenterPoint. Mr. Presses refutes this conclusion and discusses how the ratio of customer complaints should not be a sole indicator of customer satisfaction. In doing so, Mr. Presses properly refers to discovery responses that document customer dissatisfaction with CenterPoint’s provision of electric service.

CenterPoint wrongly characterizes the discovery responses as untimely filed direct testimony. The discovery responses that CenterPoint seeks to strike from Mr. Presses’ testimony directly contest the conclusions of Mr. Norwood regarding customer complaints and, as such, are properly included in the cross-rebuttal testimony.³ 16 Tex. Admin. Code (TAC) Sec. 22.225(5) gives wide latitude to allow a party to include discovery responses as part of direct and rebuttal testimony, regardless of the timing in which the responses were requested or received. CenterPoint’s request to strike the testimony and exhibits is invalid and should be rejected.

² CenterPoint’s Motion to Strike at 2.

³ See, e.g., *Aprisa v. Monfort Ins. Co.*, 932 S.W.2d 246, 251 (Tex. App.—El Paso 1996, no writ).

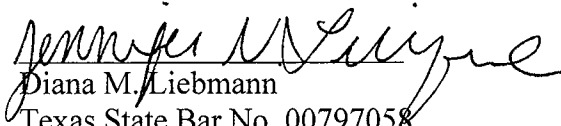
Because CenterPoint has moved to strike the vast majority of Mr. Presses' testimony, H-E-B will not address each argument line by line. The table set out below summarizes the positions taken in Mr. Presses' testimony that rebut the conclusions and statements made by the intervenors in their direct testimony. CenterPoint's actions seem designed to limit H-E-B's participation in this proceeding. Previously, CenterPoint filed discovery requests that, including the many subparts of each question, included 49 discrete discovery requests seeking voluminous, confidential information that is not relevant to this proceeding.⁴ CenterPoint filed the discovery requests knowing that the intervenors were already under pressure to conform to the tight procedural deadlines that CenterPoint has insisted upon. CenterPoint did not seek to compel any of the numerous discovery requests that H-E-B objected to, which indicates that CenterPoint was not interested in actually receiving the information requested. CenterPoint's Motion to Strike seems similarly designed to redirect H-E-B's focus to responding to CenterPoint's motion rather than preparing for the upcoming hearing on the merits. CenterPoint's Motion to Strike is inappropriate and should be rejected.

<u>Section</u>	<u>Cross-Rebuttal Position Taken</u>
Pg. 7, line 1 through pg. 10, line 8	<u>Quality of Service & Customer Satisfaction</u> Mr. Presses contests intervenor testimony conclusions that CenterPoint is providing reliable service.
Exhibit 1: Excerpt of CenterPoint's Response to H-E-B 01-03; and Exhibit 2: CenterPoint's Response to H-E-B 01-03, Attachments 10 and 11	Mr. Presses includes discovery responses that directly refute Mr. Norwood's assertion that there is no indication that CenterPoint's customers are dissatisfied.
Pg. 10 line 10 through pg. 11, line 9	<u>Residential Customer Charge</u> Mr. Presses responds to the testimony of Ms. Pevoto and distinguishes H-E-B's position that no increase in the residential

⁴ CenterPoint Energy Houston, LLC's Second Request for Information to H-E-B, LP (June 10, 2019).

	customer charge is preferable to the gradual increase suggested by Ms. Pevoto.
Pg. 11, line 11 through pg. 12 line 13; and Pg. 12, line 16 through pg. 15, line 14	<u>ROE & Capital Structure</u> Mr. Presses responds to intervenor direct testimony discussions of CenterPoint's proposal to increase its credit rating by changing its capital structure. Mr. Presses points out that intervenors failed to link their recommendations to the level of service quality provided by CenterPoint, which should be a central component of the analysis.
Pg. 15, line 16 through pg. 16, line 1	<u>Distribution Revenue Requirement</u> Mr. Presses discusses Mr. Kollen's direct testimony regarding CenterPoint's distribution revenue requirement. Mr. Presses states that intervenors do not properly tie their recommendations to CenterPoint's reliability performance, which should be the primary aim of a transmission and distribution service provider.
Pg. 16, line 5 through pg. 17, line 15	H-E-B does not contest this portion of CenterPoint's Motion to Strike.

Whereas, premises considered, H-E-B hereby requests that CenterPoint's Motion to Strike be denied.


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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this document was served on counsel for the parties of record on June 24, 2019.


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