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Item Number: 70

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

**OFFICE OF PUBLIC UTILITY COUNSEL'S
SECOND REQUEST FOR INFORMATION TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

The Office of Public Utility Counsel (OPUC) files and submits this Second Request for Information to CenterPoint Energy Houston Electric, LLC (CenterPoint Houston) in the captioned proceeding.

Under Commission Procedural Rules 22.141-.145, 16 Tex. Admin. Code Ch. 22, OPUC requests that CenterPoint, as defined herein, provide the following information and answer the following questions under oath. Please answer the questions and sub-questions in the order in which they are listed and in sufficient detail to provide a complete and accurate answer to the question.

Definitions

As used in this introduction and in these questions,

(1) "CenterPoint Houston," "CenterPoint," the "Company," and "Applicant" refer to CenterPoint Energy Houston Electric, LLC and its affiliates;

(2) "You," "yours," and "your" refer to CenterPoint Houston (as defined above), including its directors, officers, employees, consultants, agents, and attorneys.

(3) "Document" and "documents" mean any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tapes, film, electronic facsimile, computer storage device or any other media, including, but not limited to, electronic mail (e-mail), memoranda, notes, analyses, minutes, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers, observations, commercial practice manuals, reports and summaries

of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form.

Instructions

1. The Definitions, Instructions, and Claim of Privilege set out in this Request for Information apply to these questions.
2. In answering these questions, furnish all information that is available to you, including information in the possession of your agents, employees, and representatives, all others from whom you may freely obtain it, and your attorneys and their investigators.
3. Please answer each question based upon your knowledge, information, or belief, and any answer that is based upon information or belief should state that it is given on that basis.
4. If you have possession, custody, or control (as defined by Tex. R. Civ. P. 192.7(b)) of the originals of these documents requested, please produce the originals or a complete copy of the originals and all copies that are different in any way from the original, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of the originals of the documents requested, please produce copies of the documents, however made, in your possession, custody, or control. If any document requested is not in your possession or subject to your control, please explain why not, and give the present location and custodian of any copy or summary of the document.
6. If any question appears confusing, please request clarification from the undersigned counsel.
7. In providing your responses, please start each response on a separate page and type, at the top of the page, the question that is being answered.
8. As part of the response to each question, please state, at the bottom of the answer, the name and job position of each person who participated in any way, other than providing clerical assistance, in the preparing of the answer. If the question has sub-parts, please identify the person or persons by sub-part. Please also state the name of the witness in this docket who will sponsor the answer to the question and who can vouch for the truth of the answer. If the question has sub-parts, please identify the witness or witnesses by sub-part.

9. Rather than waiting to provide all of the responses at the same time, please provide individual responses as each becomes available.
10. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer between the time of your original response and the time of the hearings, then you should submit, under oath, a supplemental response to your earlier answer.
11. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please call the undersigned counsel as soon as possible in order to discuss the situation and to try to resolve the problem. Likewise, if you object to any of the questions on the grounds that the question seeks confidential information, or on any other grounds, please call the undersigned counsel as soon as possible.
12. If the response to any question is voluminous, please provide separately an index to the materials contained in the response.
13. If the information requested is included in previously furnished exhibits, workpapers, or responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.
14. To the extent that a question asks for the production of copyrighted material, it is sufficient to provide a listing of such material, indicating the title, publisher, author, edition, and page references relied on or otherwise relevant to the question.

Claim of Privilege

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, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed.

SOAH Docket No. 473-19-3864
PUC Docket No. 49421
OPUC's Second Request For Information To
CenterPoint Energy Houston Electric, LLC

- 2-1. Please refer to WP II-B-6 Adj 1 and provide all documents and analysis that support the definite plan for use of each of the assets requested to be recovered in rate base in FERC Account 360.03 and 389.03, including the actual timing of when the assets will be fully used and useful.
- 2-2. Please provide all journal entry(ies) that were used to set up the Texas Margin Tax regulatory assets, along with associated working papers, and explain the credit side of the entry(ies).
- 2-3. Please provide a detailed reconciliation of the Account 1900 Deferred Credits of \$106,762 shown on Schedule II-E-3.5.1 to the \$171,381 shown on Schedule II-B-7, along with an explanation of the differences.
- 2-4. Please provide a detailed reconciliation of the Account 2830 Deferred Credits of \$15,235 shown on Schedule II-E-3.5.1 to the \$14,682 shown on Schedule II-B-7, along with an explanation of the differences.
- 2-5. Please explain the nature of the remaining \$447 in Other Interest Expense shown in Schedule II-E-4 and explain why it is appropriate to recover this interest expense as a component of depreciation and amortization rather than as a component of debt cost.
- 2-6. Please provide a schedule of the estimated annual amortization of the protected EDIT (including the EDIT relating to cost of removal) for CY 2019-2023. If the Company does not have an estimate that considers *all* factors impacting the underlying timing difference reversals (such as the impact of retirements), please provide the best estimate the Company has available using reasonably quantifiable timing differences such as the projected annual difference between book and tax depreciation associated with of the 12/31/2017 plant balances assuming no retirements.
- 2-7. The Company has indicated that it intends to reclassify the 2018 protected EDIT amortization of \$18,659 to be refunded via the UEDIT Rider, but it is also reflecting a reduction to proforma base rate income tax expense of the same amount. Please explain whether the reduction to proforma base rate income tax expense of \$18,659 is intended to represent a normalized level protected EDIT amortization until the Company's next base rate case.
- 2-8. Since the ARAM, which is being used as the basis for amortization of protected EDIT, results in variable amounts of amortization each year, please explain whether the Company intends to reclassify to the UEDIT amounts equal to the difference between each subsequent year's actual amortization amount and \$18,659 that is being credited from the proposed base rate income tax expense or in some other manner "true-up" the actual protected EDIT amortization to the amount proposed to be a reduction of base rate income tax in this case.

SOAH Docket No. 473-19-3864
PUC Docket No. 49421
OPUC's Second Request For Information To
CenterPoint Energy Houston Electric, LLC

- 2-9.** By FERC account, please provide the amount of per-book LTI recorded during the test year, the amount of any proposed adjustments to LTI, and the amount included in the determination of cost of service.
- 2-10.** Please provide a working paper similar to WP II-D-3.6.1a for LTI included in the test year.
- 2-11.** Please reconcile the \$1,553,703 and \$728,500 shown on Schedule I-A as the Amount at Existing Rates and Adjustment to Existing Rates, respectively, to the \$2,095,600,469 and \$154,244,545 shown on page 12 of the Application as Present Revenues and Change for Retail Electric Delivery Revenue, respectively.

May 2, 2019

Respectfully submitted,



Cassandra Quinn
Assistant Public Counsel
State Bar No. 24053435

OFFICE OF PUBLIC UTILITY COUNSEL
1701 N. Congress Avenue, Suite 9-180
P.O. Box 12397
Austin, Texas 78711-2397
512/936-7500 (Telephone)
512/936-7525 (Facsimile)
cassandra.quinn@opuc.texas.gov
opuc_eservice@opuc.texas.gov (Service)

CERTIFICATE OF SERVICE

SOAH Docket No. 473-19-3864
PUC Docket No. 49421

I certify that today, May 2, 2019, I served a true copy of the foregoing Office of Public Utility Counsel's Second Request for Information to CenterPoint Energy Houston Electric, LLC on all parties of record via United States First-Class Mail, hand-delivery, facsimile, or electronic mail.



Cassandra Quinn