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

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PUBLIC UTILITY COMMISSION

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

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BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

**SOAH ORDER NO. 1
FILING DESCRIPTION; JURISDICTION; REQUESTING STAFF COMMENTS
ON SUFFICIENCY AND ADEQUACY OF APPLICATION AND NOTICE;
NOTICE OF PREHEARING CONFERENCE; AND PROCEDURES**

I. FILING DESCRIPTION

On April 5, 2019, CenterPoint Energy Houston Electric, LLC (CenterPoint) filed an application (Application) with the Public Utility Commission (Commission) requesting authority to change rates. CenterPoint requests approval for base rate increases of approximately \$154 million for service to retail customers and approximately \$6.8 million for wholesale transmission service based on a test year ending December 31, 2018. CenterPoint asserts the Application will affect: (1) all retail electric providers (REPs) serving end-use retail electric customers in CenterPoint's certificated service territory and their retail electric customers to the extent the REPs pass along to their customers the charges under CenterPoint's Tariff for Retail Delivery Service; and (2) all customers under CenterPoint's Tariff for Wholesale Transmission Service.

CenterPoint also requests: (1) a prudence determination on all capital investments made since January 1, 2010; (2) the establishment of a rider to refund to its customers approximately \$97 million of unprotected excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017; (3) updated depreciation rates; (4) approval to clarify and update various non-rate provisions in Chapters 2 and 6 of its Tariff for Retail Delivery Service; (5) permission to install voltage regulation battery assets; and (6) recovery of all reasonable and necessary rate case expenses.

II. JURISDICTION

The Commission referred this case to the State Office of Administrative Hearings (SOAH) on April 8, 2019, requesting the assignment of an Administrative Law Judge (ALJ) to conduct a hearing and issue a proposal for decision (PFD), if necessary. In its referral order, the Commission set a deadline of April 24, 2019, for filing lists of issues to be addressed in this proceeding, and stated that it will consider and possibly adopt a preliminary order in the open meeting scheduled to convene on May 9, 2019.

The Commission has jurisdiction over this proceeding pursuant to PURA¹ §§ 14.001, 32.001, 33.002(b), 35.004(d), 36.001, and 36.108. SOAH has jurisdiction over all matters relating to the conduct of the hearing in this proceeding pursuant to Texas Government Code § 2003.049

CenterPoint proposed May 10, 2019, as the effective date for the rates requested in its Application. Pursuant to Commission Order No. 1, CenterPoint's proposed effective date is suspended for 150 days to allow sufficient time for a final determination. Accordingly, **the effective date for CenterPoint's requested rates is October 7, 2019.** Additionally, Commission Order No. 1 adopted a protective order which shall govern in this proceeding.

III. NOTICE AND SUFFICIENCY OF APPLICATION

Any objection to CenterPoint's notice of its Application must be filed by April 15, 2019. Commission Staff shall provide a recommendation on the sufficiency of CenterPoint's notice of its Application by April 15, 2019. Parties contending that CenterPoint's Application is materially deficient shall file a motion no later than April 26, 2018. CenterPoint shall respond to any such motion within five working days.

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

IV. NOTICE OF PREHEARING

The undersigned ALJs will convene a **prehearing conference at 10:00 a.m. on April 23, 2019**, at the SOAH hearing facilities located at the William P. Clements Office Building, 300 West 15th Street, Fourth Floor, Austin, Texas. The following matters will be discussed:

1. Pending motions to intervene;
2. Pending motions filed by 1:00 p.m. on April 22, 2019, and emailed to the ALJs' assistant;²
3. A procedural schedule, including a date for the hearing on the merits that will enable the Commission to make a final decision by October 7, 2019, or, in the alternative, a subsequent date should CenterPoint agree to a further extension of the effective date; and
4. Any other matter that may assist in the disposition of this case in a fair and efficient manner.

Those attending the prehearing are advised that they must check in with building security personnel in the lobby of the William P. Clements Building and be issued visitor badges before proceeding to the hearing room. The parties should allow sufficient time for the check-in procedure.

In developing a proposed procedural schedule, the parties shall anticipate a record close date that ensures the ALJs have eight weeks to write and issue the PFD. Additionally, the parties shall endeavor to provide the Commission with enough time for two dates for open meetings to discuss the PFD and seven calendar days after the last open meeting to issue an order. This can usually be achieved by allowing the Commission five weeks before the effective date to issue an order.

² Erin.Hurley@soah.texas.gov.

V. PROCEDURES

A. Filing

The procedures regarding filing are specified in Subchapter E of the Commission's procedural rules and apply in this proceeding. Parties are expected to know those procedures and comply with them fully. Pleadings and other filings shall be deemed filed when the proper number of legible copies are presented to the PUC filing clerk for filing. **All pleadings must contain both the SOAH and PUC docket numbers to allow for efficient processing.**

For intervenors who may not be familiar with the PUC processes, all PUC filings in this case are available for viewing and downloading from the Commission's website (www.puc.state.tx.us). Once there, click at the top under "Filings." Then go to Filings Search, click on "Filings Search" and type in control number (PUC Docket Number) 49421 and press "enter." A list of documents filed in this docket will appear and you may access those documents by clicking on the document number. The PUC's procedural rules are also available at the PUC website.

B. Service of Filed Documents on All Parties

Note that all documents filed in this case must also be delivered or "served" to all other parties.

C. Request that Parties Sign Up for Service of SOAH-issued Orders by Email

SOAH's orders must also be provided to, or served on the parties. This means that when the ALJs issue an order in this case, SOAH must serve every party with that order by traditional service methods such as mailing. If, however, a party has signed up for service of SOAH's orders by email, then the order may be transmitted much more efficiently than by regular mail. Service of SOAH orders by email saves a tremendous amount of SOAH's time and resources

otherwise spent to mail or fax orders to the parties. As a result, **parties are strongly encouraged to provide an email address to SOAH, to be served with notice of SOAH's orders in this case by email.** To sign up to receive SOAH's orders by email, go to SOAH's website at www.soah.texas.gov, click on SOAH's "E-Services" link at the top of SOAH's webpage, follow the directions for "Email Service" and complete a short form. The service list will also be updated with the party's email address.

Only one address per party will be included on the official service list maintained by SOAH. Corrections to the service list should be directed to the ALJs' assistant, Erin Hurley, by email at Erin.hurley@soah.texas.gov.

D. Motions and Responses to Motions and Other Pleadings

Unless otherwise specified, responses to any motion or other pleading shall be filed within **five working days** from receipt of the pleading to which the response is made. Such responsive pleadings shall state the date of receipt of the pleading to which a response is made. Failure to file a timely response will be considered acquiescence to the relief requested.

If the parties file a motion that requires the ALJs' immediate attention, the parties must also email a copy of the motion to the ALJs' assistant, Erin Hurley, at the email address provided above.

A copy of each contested motion and reply filed in this proceeding must also be provided in an editable Word format to the ALJs' assistant, Erin Hurley, at the email address provided above.

E. Discovery

Discovery may begin immediately pursuant to Subchapter H of the Commission's procedural rules. All discovery requests and responses shall be filed with the PUC.

F. *In Camera* Review

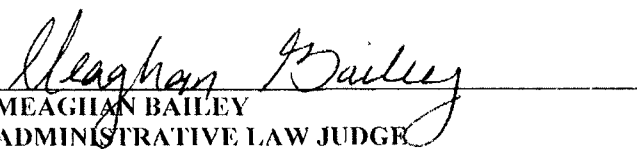
When a party seeks *in camera* review of documents in accordance with 16 Texas Administrative Code § 22.144(g), it will submit the documents to the ALJs at SOAH. Documents submitted for review should not be filed with the Commission filing clerk. If they are filed with the Commission filing clerk, even inadvertently, the documents may not be physically removed from the Commission. Further, any claim to privilege or exemption may be waived by the filing.

At the time the documents are submitted for *in camera* review, the objecting party will file affidavits that list the facts necessary to support the explanation and the privilege or exemption that is claimed. The affidavits will be public documents and will be filed with the Commission filing clerk and served upon the propounding party.

Answers to Requests For Information (RFI) that are submitted for *in camera* review will be grouped and separated from other answers by envelope, folder, box, or other appropriate containers; materials that constitute an answer to more than one RFI will be clearly cross-referenced. RFI answers submitted for *in camera* review will not be accessible to the other parties unless the ALJs order otherwise.

SIGNED April 9, 2019.


STEVEN D. ARNOLD
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS


MEAGHAN BAILEY
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS