



## **Filing Receipt**

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**SOAH DOCKET NO. 473-24-13232  
PUC DOCKET NO. 56211**

<b>APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC FOR AUTHORITY TO CHANGE RATES</b>	<b>§ § §</b>	<b>BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS</b>
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**OFFICE OF PUBLIC UTILITY COUNSEL’S  
SECOND REQUEST FOR INFORMATION TO  
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

Pursuant to 16 Texas Administrative Code (“TAC”) § 22.144, the Office of Public Utility Counsel (“OPUC”) submits this Second Request for Information to CenterPoint Energy Houston Electric, LLC (“CEHE”). OPUC requests that CEHE provide answers to the request for information under oath as required by 16 TAC § 22.144(c)(2)(F) within the timeframe specified in the procedural schedule in this proceeding. OPUC further requests that CEHE provide an answer to the questions and sub-questions in the order listed below with sufficient detailed information to provide a complete and accurate answer to each question and sub-question.

**Definitions**

1. “CEHE,” the “Company,” “Applicant,” “You,” and “Your” refer to CenterPoint Energy Houston Electric, LLC and its affiliates, subsidiaries, 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” and “documents” include any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tape, 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, 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 sections set forth in this request for information apply to these questions.
2. In providing an answer to each question, please furnish all of the information that is in your possession, custody, or control, as defined by Texas Rules of Civil Procedure (Tex. R. Civ. Proc.) 192.7(b), including information in the possession, custody, or control of your affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees, or other persons.
3. Please answer each question based upon your knowledge, information, or belief, and state whether each answer is based upon your knowledge, information, or belief.
4. If you have possession, custody, or control, as defined by Tex. R. Civ. Proc. 192.7(b), of an original requested document, please produce the original requested document or a complete copy of the original requested document and all copies that are different in any way from the original requested document, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of an original requested document, please produce copies of the document, however made, in your possession, custody, or control. If any requested document is not in your possession, custody, or control, please explain why the document is not in your possession, custody, or control and provide the current location and custodian of the requested document or any copy, summary, or other form of the requested document thereof.
6. If there is any confusion about a question, please contact the undersigned counsel for clarification.
7. In providing your response to a question, please start each response on a separate page and type, at the top of the page, the question that is being answered by the response.
8. As part of the response to each question, please state, at the bottom of the answer to the question, the name and job position of each person(s) who participated in any way, other than by providing clerical assistance, in the preparation of the answer to the question. If

the question has sub-parts, please identify each person(s) by name and job position that participated in any way, other than by providing clerical assistance, in the preparation of the answer for each sub-part of the question.

9. Please state the name of the witness in this docket who will sponsor the answer to the question and/or sub-part of the question and who will swear to the truthfulness of the answer to the question and/or sub-part of the question.
10. Please provide individual responses to questions as each response becomes available, rather than waiting to provide all of the responses to the questions at the same time.
11. 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 to a question between the time of your original response and the time of the hearing, then you should submit, under oath, a supplemental response to your earlier answer to the question.
12. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue. Furthermore, if you object to any question on the grounds that the question seeks confidential information, or on any other grounds, please contact the undersigned counsel, as soon as possible, to discuss the situation and try to resolve the issue.
13. If the response to any question is voluminous, please make available all of the voluminous material at a designated location in Austin. Please provide a detailed index for the voluminous material with your response to the question to enable efficient review of the material. The index should include information sufficient to locate each individual document by page, file, and box number, date of each document, title of each document, description of each document if no document title exists, name of the preparer of each document, and length of each document.
14. If the requested information 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 to the previously furnished information.

15. If a question requests the production of copyrighted material, you may provide a list of such material, including 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 provide a list that identifies each document for which a privilege is being claimed, including the date, sender, recipient(s) of the privileged document, recipient(s) of copies of the privileged document, subject matter of the privileged document, and the basis upon which a privilege is being claimed by the Company.

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**OPUC's Second Request for Information to**  
**CenterPoint Energy Houston Electric, LLC**

- 2-1.** Please provide detailed support for the Long Lead Time Facilities (LLTF) included in all areas of the revenue requirement.
- 2-2.** Please refer to the testimony of Kristie L. Colvin at page 864. Regarding the cloud computing deferral request, please explain how this is different from capitalizing the balance and getting recovery in the future, while similar to new assets placed in service subsequent to December 31, 2023.
- 2-3.** Please provide the contractual agreements between the Company or an affiliate and each consultant it hired to assist in Docket No. 56211, including any consultants who did not file direct testimony.
- 2-4.** Please confirm or deny that the Company or any parent or affiliate is a member of Edison Electric Institute?
  - a. If so, how much is the yearly membership expense, and what amount or portion of that expense is attributed to lobbying? Please explain your response.
- 2-5.** Please clarify whether the Company's parent company allocates any of its Edison Electric Institute membership dues to the Company.
  - a. If so, how much is allocated to the Company? Please explain.
- 2-6.** Please list all charitable contributions the Company made in 2023. Please also include the name of each organization contributed to and the amount contributed, or estimated to be contributed, to each organization in each year from 2021 through 2024.
- 2-7.** As per FASB ASC 350-40-25-18, please provide a breakdown of the costs being proposed for the cloud computing arrangement into the following categories:
  - a. Preliminary Project Stage – Per FASB ASC 350-40-25-1;
  - b. Application Development Stage – Per FASB ASC 350-40-25-2 through 350-40-25-5; and
  - c. Postimplementation Operation Stage – Per FASB ASC 350-40-25-6.

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- 2-8.** Please refer to the Direct Testimony of J. Stuart McMenamin at Bates No. 2377, line 26, and Bates No. 2378, lines 1-2:
- a. Please describe in detail the “additional variables to account for the impacts of various phases of the Covid pandemic” and how they impacted each customer class.
  - b. Please identify where these additional variables are shown and analyzed in the Company’s schedules and workpapers.
  - c. Please quantify the impacts by customer class and include any supporting documentation, workpaper, and calculations.
- 2-9.** Please refer to the Direct Testimony of J. Stuart McMenamin at Bates No. 2378, lines 3-5. Please provide estimated weather adjustments in this case, including all supporting analysis and assumptions in Excel format with formulas intact, based on:
- a. 10-year normal weather (2014-2023)
  - b. 15-year normal weather (2009-2023)
- 2-10.** Please refer to the Direct Testimony of J. Stuart McMenamin at Bates No. 2378, lines 3-5. Please identify the weather normalization period used to develop the Company’s compliance filings in Docket No. 49421.
- 2-11.** Please refer to the Direct Testimony of J. Stuart McMenamin at Bates No. 2418, line 11. Please explain what is meant by “revenue year”.
- 2-12.** Please refer to the Direct Testimony of J. Stuart McMenamin, Figures 32 through 40. Please define the following terms as they are used in Dr. McMenamin’s testimony. Please indicate whether the data has been adjusted for COVID, and explain how the data in those tables are used in the Company’s current class cost of service study (CCOSS), rate design, or otherwise:
- a. Annual Weather Adjustment, Revenue Year (Bates No. 2419, Figure 32)
  - b. Annual Weather Adjustment, 2023 Calendar Year (Bates No. 2423, Figure 33)
  - c. Test Year Maximum Demand (Bates No. 2425, Figure 34)
  - d. Test Year for Monthly Class Peaks (Bates No. 2426, Figure 35)
  - e. CEHE Coincident Peaks (Bates No. 2427, Figure 36)
  - f. ERCOT Coincident Peaks (Bates No. 2429, Figure 37)
  - g. Maximum Demand Values for SVL and PVS (Bates No. 2430, Figure 38)
  - h. Billing Demand Values (Bates No. 2431, Figure 39)
  - i. ERCOT 4CP Demand Values (Bates No. 2432, Figure 40)

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- 2-13.** Please refer to the Direct Testimony of J. Stuart McMenamin at Bates No. 2419, Figure 32. Please explain why, on a percentage basis, the Calendar Year Residential annual weather adjustment (-6.74%) is more than twice the adjustment for any other rate classes (-2.74% to 0%). Does this adjustment also include adjustments related to COVID? If so, how much?
- 2-14.** Please refer to the Direct Testimony of J. Stuart McMenamin at Bates No. 2425, Figure 34:
- a. Please explain why the Percent Weather Adjustments for Residential (RS) and Secondary Voltage Small (SVS) are less than those for the other classes in Figure 34.
  - b. Please explain why the Percent Weather Adjustments for Residential (RS) and Secondary Voltage Small (SVS) in Figure 34 are significantly less than the Annual Percent Adjustments for Residential (RS) and Secondary Voltage Small (SVS) energy usage in Figure 33.
- 2-15.** Please refer to the Direct Testimony of J. Stuart McMenamin at Bates No. 2426, Figure 35. Please explain why on average the Average Percent Adjustments are about 60% of those shown in Figure 33, for the Residential and Secondary Voltages
- 2-16.** Please refer to the Direct Testimony of J. Stuart McMenamin at Bates No. 2430, Figure 37, and Bates No. 2431, Figure 39. Please explain why there are slight differences in the numbers for current SVL and PVS classes.
- 2-17.** Please refer to the Direct Testimony of Kristie L. Colvin at Bates No. 849, lines 11-12, and the Direct Testimony of Dane A. Watson at Bates No. 1800, lines 5-9. Ms. Colvin states that the Company proposes to continue to use current depreciation rates, as approved in Docket No. 49421. However, Mr. Watson states that the Company applied his recommended depreciation rates to its adjusted plant balances, as of December 31, 2023, to calculate the Company's requested depreciation expense:
- a. Please admit or deny that the referenced information in the testimonies is conflicting.
  - b. If admitted, please identify which of the referenced information in the testimonies is correct.
  - c. If denied, please explain why the referenced information in the testimonies is not conflicting.



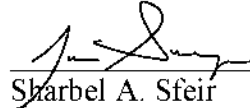
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- 2-18.** Please refer to the Direct Testimony of John R. Durland at Bates No. 2481, lines 21-23, on the Transmission Cost Recovery Factor (TCRF):
- a. Please explain what is meant by an “unadjusted 4CP (4 Coincident Peak). Does that mean it has not been adjusted for weather and/or customer counts at the end of the year or something else?
  - b. If the Company has not adjusted for weather and/or customer accounts at the end of the year for allocation of costs in the Rider TCRF calculations, please provide the Company’s justification for this decision.
  - c. For transmission capacity, why is a 4CP allocator preferred to an A&E-4CP allocator as used for the Nuclear Decommissioning Charge (NDC) Rider?
- 2-19.** Please refer to the Direct Testimony of John R. Durland at Bates No. 2486, lines 12- 15:
- a. Please explain what is meant by “possible future Commission approved Rider [Temporary Emergency Electric Energy Facilities (TEEEF)] adjustments.”
  - b. Please identify when the Company plans to make its next two TEEEF adjustments.
- 2-20.** Please refer to the Direct Testimony of John R. Durland at Bates No. 2461, lines 15-20, and Schedule II-I-2. Mr. Durland states that the methodology used for the demand-related distribution cost in the CCOSS is based on the Non-Coincident Peak (NCP) 15-minute aggregated demand on the Company’s distribution system for each rate class in the Test Year. However, Schedule II-I-2 shows that NCP is not used to allocate any distribution-related accounts:
- a. Please admit or deny that the referenced information is conflicting.
  - b. If admitted, please identify, and explain why using 4CP allocators is preferred to using NCP allocators for distribution-related accounts.
  - c. If denied, please explain why the referenced information in the testimonies is not conflicting.

Date: April 23, 2024

Respectfully submitted,

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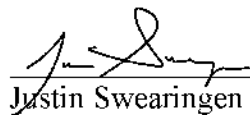
**ATTORNEYS FOR THE  
OFFICE OF PUBLIC UTILITY COUNSEL**

**CERTIFICATE OF SERVICE**

SOAH DOCKET NO. 473-24-13232

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I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 23<sup>rd</sup> day of April 2024 by facsimile, electronic mail, and/or first class, U.S. mail.



Justin Swearingen