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

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

**TEXAS INDUSTRIAL ENERGY CONSUMERS THIRD REQUEST FOR
INFORMATION TO CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

Pursuant to 16 T.A.C. § 22.144, Texas Industrial Energy Consumers (“TIEC”) requests that CenterPoint Energy Houston Electric, LLC (“CenterPoint”) provide all of the information requested in Exhibit “A” within the time frame specified under the procedural schedule set in this proceeding.

Pursuant to 16 T.A.C. § 22.144(c)(2), TIEC further requests that answers to the requests for information be made under oath. Each answer should identify the person responsible for preparing that answer (other than the purely clerical aspects of its preparation) and the name of the witness in this proceeding who will sponsor the answer and who can vouch for its accuracy. In producing documents pursuant to this request for information, please indicate the specific request(s) to which the document is being produced. These requests are continuing in nature, and should there be, for any reason, a change in circumstances which would modify or change an answer supplied by you, such changed answer should be submitted immediately as a supplement to your original answer pursuant to 16 T.A.C. § 22.144(i). Please answer each request and sub-request in the order in which they are listed and in sufficient detail to provide a complete and accurate answer to the request. TIEC further requests that each item of information be made available as it is completed, rather than upon compilation of all information requested.

All information responsive to the requests on the attached Exhibit “A” should be sent to the following persons via overnight courier, on a piecemeal basis as individual items become available:

Katherine L. Coleman
Michael A. McMillin
John R. Hubbard
O'Melveny & Myers LLP
303 Colorado St., Suite 2750
Austin, TX 78701
(737) 261-8600
kcoleman@omm.com
mmcmillin@omm.com
jhubbard@omm.com
ommesevice@omm.com

DEFINITIONS AND INSTRUCTIONS

A. “CenterPoint Energy Houston Electric, LLC”, “CenterPoint”, “the Company” or “you” refers 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.

B. The terms “document” or “documents” are used in their broadest sense to include, by way of illustration and not limitation, all written or graphic matter of every kind and description whether printed, produced, reproduced or stored by any process whether visually, magnetically, mechanically, electronically or by hand, whether final or draft, original or reproduction, whether or not claimed to be privileged or otherwise excludable from discovery, and whether or not in your actual or constructive possession, custody, or control. The terms include writings, correspondence, telegrams, memoranda, studies, reports, surveys, statistical compilations, notes, calendars, tapes, computer disks, data on computer drives, e-mail, cards, recordings, contracts, agreements, invoices, licenses, diaries, journals, accounts, pamphlets, books, ledgers, publications, microfilm, microfiche and any other data compilations from which information can be obtained and translated, by you if necessary, into reasonably usable form. The definition includes electronic information that has been deleted. “Document” or “documents” shall also include every copy of a document where the copy contains any commentary or notation of any kind that does not appear on the original or any other copy.

C. Pursuant to Rule 196.4 of the Texas Rules of Civil Procedure, TIEC specifically requests that any electronic or magnetic information (which is included in the definition of “document”) that is responsive to a request herein be produced on CD-ROM in a format that is compatible with Adobe Acrobat, Microsoft, Macintosh and/or Word Perfect and be produced with your response to these requests. If emails are responsive to these requests, please provide a searchable .pdf copy of the entire email string. Attachments to emails should be provided with the email in searchable .pdf form, unless it is stored in a different format, in which the attachment should be produced in its native format and provided on CD-Rom.

D. The terms “and” and “or” shall be construed both disjunctively and conjunctively as necessary to make the request inclusive rather than exclusive.

E. “Each” shall be construed to include the word “every” and “every” shall be construed to include the word “each.”

F. “Any” shall be construed to include “all” and “all” shall be construed to include “any.”

G. The term “concerning,” or one of its inflections, includes the following meanings: relating to; referring to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically or factually connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.

H. The term “including,” or one of its inflections, means and refers to “including but not limited to.”

I. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.

J. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.

K. If any document is withheld under any claims of privilege, please furnish a list identifying each document for which a privilege is claimed together with the following information: date, sender, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed. This instruction is not intended to impose an obligation greater than contemplated by the Commission’s rules and any applicable orders in this case.

L. Pursuant to 16 T.A.C. § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.

M. If the information requested is included in previously furnished exhibits, workpapers, and 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.

N. The term “emails” includes the entire email string and all attachments found anywhere within the email string. Please refer to paragraph “D.” regarding specific instructions for producing such items.

O. “Communications” refers to correspondence of any kind, including emails.

P. “Identify” and “describe” shall have the meaning set forth below according to the context in which the term is used:

- i. When used in reference to an individual, shall mean to state his or her full name, business affiliation, job title, and business address and telephone number;

- ii. When used in reference to a corporation, shall mean to state its full name, its state of incorporation, its address and its principal place of business;
- iii. When used in reference to any entity other than an individual or corporation, shall mean to state its official name, its organizational form and its address;
- iv. When used in reference to a document, shall mean to state the type of document, date, author, addressee, title, its present location, the name and address of its custodian, and the substance of the contents thereof. In lieu of identifying any document, copies thereof may be furnished; and
- v. When used in reference to a communication, shall mean to state the form of the communication (e.g., telephone conversation, letter, telegram, teletype, telecopy, written memorandum, face to face conversation, or any other form), the date of the communication or the dates on which the communication was sent and/or received if not the same, the parties to the communication, the party who initiated it, the substance of the communication, and the present location and the name and address of the custodian if the communication was non-verbal and/or of any written memorialization of the communication.

Respectfully submitted,

O'MELVENY & MYERS LLP

/s/ Michael A. McMillin

Katherine L. Coleman

State Bar No. 24059596

Michael A. McMillin

State Bar No. 24088034

John R. Hubbard

State Bar No. 24120909

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**ATTORNEYS FOR TEXAS INDUSTRIAL
ENERGY CONSUMERS**

CERTIFICATE OF SERVICE

I, John R. Hubbard, Attorney for TIEC, hereby certify that a copy of this document was served on all parties of record in this proceeding on this 1st day of May, 2024 by electronic mail, facsimile, and/or First Class, U.S. Mail, Postage Prepaid.

/s/ John R. Hubbard

John R. Hubbard

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**TEXAS INDUSTRIAL ENERGY CONSUMERS THIRD REQUEST FOR
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- TIEC 3-1** To the extent not already provided, please provide all schedules, exhibits, tables, figures and supporting workpapers in electronic format with all formulas intact supporting the testimonies of all CEHE witnesses. This is an ongoing request for all subsequent testimonies.
- TIEC 3-2** Please provide copies of all publications and credit reports referenced in or considered by witnesses Ann E. Bulkley and Jacqueline M. Richert. This is an ongoing request for all subsequent testimonies filed by these witnesses.
- TIEC 3-3** To the extent not already provided, please provide executable electronic copies with formulas and links intact for all charts, tables, figures, schedules and exhibits used in support of the testimony filed by witnesses Ms. Bulkley and Ms. Richert. This is an ongoing request for all subsequent testimonies filed by these witnesses.
- TIEC 3-4** Please provide copies of all credit reports published by Standard & Poor's ("S&P"), Moody's and Fitch Ratings for CEHE, and CenterPoint Energy, Inc ("CNP") issued over the last two years. This is an ongoing request.
- TIEC 3-5** Please provide complete copies of the most recent credit reports issued by S&P, Moody's and Fitch Ratings that discuss the current credit outlook of the regulated utility industry. This is an ongoing request.
- TIEC 3-6** Please provide copies of all correspondence, presentations and all other materials that CEHE or its parent company provided to credit and equity analysts over the last two years. This is an ongoing request.
- TIEC 3-7** Please identify the amount of net income and annual dividend CEHE has paid to its parent company over the last five years.
- TIEC 3-8** On electronic spreadsheet with all formulas intact please provide CEHE's earned and authorized returns on equity over the last five years and provide all financial statements supporting these calculations.
- TIEC 3-9** Please provide a projection of CEHE's capital expenditures out over the next five years, and an estimate of the sources of cash available to fund these capital expenditures broken out by external debt markets, external equity infusions from its parent company, retained earnings, depreciation expense, deferred taxes and

other sources (explain). Please also include in this response the funding planned for debt maturity, retirements and/or refinancing over this same time period.

- TIEC 3-10** In electronic format with all formulas intact, please provide the monthly average balances for construction work in progress and short-term debt for the most recent 13-month period, the test year period. Please identify the amount of short-term debt included in the regulatory capital structure, if any.
- TIEC 3-11** Please explain whether CEHE recorded any goodwill asset on its balance sheet. If affirmative, please state whether the goodwill amount was removed from the Company's equity balance.
- TIEC 3-12** Please provide the amount of capitalized interest estimated to be paid during the test year related to construction projects for CEHE.
- TIEC 3-13** In electronic format with all formulas intact, please provide the regulated five-year projected and five-year historical capital structure for CEHE. Please include a breakdown of all sources of equity capital including retained earnings, paid-in capital (equity infusion), and debt capital, both long-term and short-term debt, etc.
- TIEC 3-14** In electronic format with all formulas intact, please identify the Commission-approved capital structure, cost of capital and rate of return in CEHE's last three regulatory proceedings. Please identify the docket and order numbers.
- TIEC 3-15** Please describe how CEHE accesses external capital. If the Company's external capital is provided by its parent company under a credit agreement, please describe the terms of the credit agreement and the associated service fees.
- TIEC 3-16** Do any of CEHE's outstanding long-term debt issues have call provisions? If the answer is "yes," please provide a list of the callable issues with the following: (a) outstanding balance; b) issuance date; c) maturity date; d) coupon payment percent; e) annual interest expense; and f) call price (as a percent of par).
- TIEC 3-17** Has CEHE performed any debt refinancing feasibility studies on its outstanding debt issues? If the answer is "yes," please provide the following:
- a. A detailed description of the results from the study.
 - b. A detailed description of the conclusions(s) made by CEHE based on the results of the study.
 - c. All debt refinancing feasibility studies in electronic format with all formulas intact.
- TIEC 3-18** Please provide the most recent senior secured, unsecured and corporate credit ratings of CEHE, assigned by S&P, Moody's and Fitch. Also, please provide CEHE's S&P business and financial risk profiles and identify the benchmark

volatility table (standard, medial or low) used by S&P. Finally, identify the Moody's risk grid used to evaluate CEHE's credit metrics.

- TIEC 3-19** Referring to Table JRichert-9 on page 25 of Ms. Richert's testimony and her WP JRichert-5, please provide in electronic format with all formulas intact, CEHE's credit metric calculations relied on by S&P and Moody's for the last five years and the projected period 2024-2028 as shown on her WP JRichert-5 at the Company's proposed ROE and common equity ratio and the last approved ROE and common equity ratio. Please include all financial statements used to derive the four credit metrics referenced on page 8 of Ms. Richert's Testimony. In addition, please provide S&P and Moody's benchmark ranges for the credit metrics.
- TIEC 3-20** Please identify CEHE's off balance sheet debt equivalents such as purchased power agreements and operating leases. Please provide the amount of each off-balance sheet debt item and the related imputed interest and amortization expenses associated with these off-balance sheet debt equivalents specific to CEHE's jurisdictional regulated retail electric operations.
- TIEC 3-21** Referring to pages 23-24 of Ms. Richert's testimony, please state whether CEHE had any communication with the credit rating agencies about the requirements needed to achieve the target credit ratings of A3/A- from Moody's and S&P/Fitch. Also, please provide:
- a. Descriptions and comments between CEHE and S&P concerning the credit metric benchmarks applicable to CEHE on a stand-alone basis, and those applicable to CEHE based on its consolidated credit rating profile reflecting its affiliation risk with CNP.
 - b. Ms. Richert's understanding of S&P's assessment of CNP's stand-alone investment risk based on the fact that CEHE does not assume commodity risk, where CNP do assume commodity risk, and how this specific risk factor impacts profit and cash flow volatility, and the need for maintaining adequate credit metric targets to support bond ratings.