



## **Filing Receipt**

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**Control Number - 56211**

**Item Number - 155**

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

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

**COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION TO  
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
QUESTION NOS. STAFF 5-1 THROUGH 5-13**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144 of the Commission's Procedural Rules, the Staff (Staff) of the Public Utility Commission of Texas (Commission) requests that CenterPoint Energy Houston Electric, LLC by and through its representative of record, provide the following information and answer the following questions under oath. The questions shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer, within 15 calendar days per SOAH Order No. 2 filed on March 27, 2024. Please copy the question immediately above the answer to each question. These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide responses to the Requests for Information by filing with the Commission solely through the Interchange on the Commission's website and provide notice, by email, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered by the presiding officer pursuant to the Second Order Suspending Rules in Project No. 50664.

Dated: May 6, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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/s/ David Berlin  
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**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on May 6, 2024, in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ David Berlin  
David Berlin

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**DEFINITIONS**

- 1) "CEHE" or "you" refers to CenterPoint Energy Houston Electric, LLC 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" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond your control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do exist, and these documents will be provided.

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**INSTRUCTIONS**

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) 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.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) 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 or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to 16 TAC § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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**Long Lead-Time Facilities (LLTF) Regulatory Asset**

- Staff 5-1** Please refer to the testimony of Kristie Colvin at page 59, lines 5-7 which states, "To date, the Company has deferred to a regulatory asset the incremental ad valorem (or property) taxes on its LLTF and the return, not otherwise recovered in a rate proceeding, associated with the LLTF." Please provide the detailed monthly calculations of the return and ad valorem tax amounts recorded to the Long Lead-Time Regulatory Asset from the time CEHE first began accruing the asset through the end of the test year. Please provide derivation of all assumptions used in the calculations (e.g. derivation of the monthly carrying charge factor, balances used to determine monthly carrying charges, etc.).
- Staff 5-2** Please refer to the testimony of Kristie Colvin at page 61, lines 22-23, and the testimony of Carla Kneipp at page 24, line 5. Given that the balance of the LLTF was \$31,161,482 at the 12/31/23 test-year end, and that the balance of materials and supplies included in rate base is a 13-month average balance, please provide the baseline amount of the LLTF CEHE proposes to establish in this proceeding.
- Staff 5-3** For the group of items comprising the LLTF balance of \$31,161,482 at 12/31/23, please provide the thirteen-month average for the same items included in the \$399.1 million requested balance of materials and supplies in this proceeding as well as the month-end balance by the same categories or equipment types for each of the 13 months used to calculate the average.
- Staff 5-4** For the group of items comprising the \$31,161,482 LLTF balance at 12/31/23 in this proceeding, please provide the 12/31/18 balance for the same categories or equipment types. Please also provide by LLTF category or equipment type the month-end balance for each of the thirteen months used to calculate the \$109.7 million for materials and supplies included in CEHE's requested rate base in its last rate case, Docket No. 49421. (Application at Schedule II-B and included on Attachment D to the Stipulation and Settlement Agreement for that proceeding).
- Staff 5-5** Please confirm that none of the amounts included in the LLTF regulatory asset are related to electric energy storage equipment or facilities under PURA Chapter 35.
- Staff 5-6** Please refer to WP II-B-12. Please provide the docket number for the LLTF rate case expenses removed in WP II-B-12 Adjustment 7.

### **Cloud Computing Arrangements (CCAs)**

- Staff 5-7** For each of the years 2019 through 2023, please separately provide CEHE's directly incurred and allocated expenses for infrastructure as a service (IaaS) CCAs and software as a service (SaaS) CCAs. For each amount provided, please specify the amount capitalized and the amount expensed.
- Staff 5-8** For each of the years 2024 through 2028, please separately provide the total expenses CEHE expects to incur (both directly and as allocated) for IaaS CCAs and SaaS CCAs.
- Staff 5-9** For amounts identified in the response to Staff 5-8, please identify the amounts that are based on contracts or agreements already executed. Based on the executed contracts, please provide the estimated amounts to be capitalized and the estimated amounts expected to be expensed each year.
- Staff 5-10** Please refer to the testimony of Kristie Colvin at page 101, lines 1-4 which states, "Determining whether a SaaS-type CCA contains a license can be difficult, however, as many of these CCAs do not contain the level of detail necessary to reasonably make that determination." Please provide a detailed explanation why it is reasonable for CEHE (or CNP) to enter into CCAs that do not contain the level of detail necessary to make the required determinations.

### **Compensation**

- Staff 5-11** Please refer to WP BRV-2 and WP BRV-4 to the testimony of Bertha Villatoro. Please confirm that per the notes on each page, the calculations and comparisons presented on these workpapers use the target amounts of short-term incentive compensation rather than the actual STI payments based on achievement for the relevant period.
- Staff 5-12** Please refer to question Staff 5-11 and provide the calculations at the referenced WP BRV-2 and WP BRV-4 using the actual STI payments based on achievement rather than the target STI amounts.
- Staff 5-13** Please refer to WP CEHE Wage Adjustment – Direct (confidential) at the worksheet titled "STI Achievement" and confirm that CEHE's requested STI adjustment in this proceeding is based on the 4-year average achievement presented there. If not, please provide the achievement level on which the STI request is based.