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

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

May 13, 2024

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TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
CenterPoint Energy Houston Electric, LLC’s Response to Texas Industrial Energy Consumers Second Set of Requests for Information	2-8
Certificate of Service	9

- **Please note that the discovery responses were prepared under the direction of the sponsors.**

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
PUC DOCKET NO. 56211
SOAH DOCKET NO. 473-24-13232**

**TEXAS INDUSTRIAL ENERGY CONSUMERS
REQUEST NO.: TIEC-RFI02-01**

QUESTION:

Using the same model and/or workpapers that were used to develop the indicative credit metric and credit rating analyses in CenterPoint's direct testimony, please calculate indicative credit metrics and/or credit ratings using the following assumptions:

- a. Using a regulatory capital structure of 45% equity/55% debt atCenterPoint's requested rate base, the following authorized ROEs: (i) 9.4%;(ii)9.6%; (iii) 9.8%; and (iv) 10%.
- b. Using a regulatory capital structure of 42.5% equity/57.5% debt atCenterPoint's requested rate base, the following authorized ROEs: (i) 9.4%;(ii)9.6%; (iii) 9.8%; and (iv) 10%.

ANSWER:

Please see the response to TIEC-RFI02-02.

SPONSOR:

Jackie Richert

RESPONSIVE DOCUMENTS:

None

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PUC DOCKET NO. 56211
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**TEXAS INDUSTRIAL ENERGY CONSUMERS
REQUEST NO.: TIEC-RFI02-02**

QUESTION:

If CenterPoint objects to fully responding to TIEC 2-1 for any reason, please provide the “live” Excel model and/or workpapers that were used to develop the indicative credit metric and credit rating analyses in CenterPoint’s direct testimony. Please provide a detailed description of how one would modify the model and/or workpapers in order to re-run the credit metric and credit rating analyses in CenterPoint’s direct testimony using different assumptions for the regulatory capital structure and/or return on equity. Please describe all necessary assumptions and provide all data that would be needed to re-run the credit metric and credit rating analyses.

ANSWER:

Please see the excel model entitled GCCC01-01 WP Attachment JRichert-01 (CONFIDENTIAL) that provides the 2024-2028 Houston Electric financial statements. The financial statements assume 55% debt / 45% equity and a 10.4% ROE. Utilizing the models provided in TIEC-RFI01-22 and TIEC-RFI01-23, one could derive the change in cash flow for the various scenarios.

Changing one factor in isolation may not be realistic because other factors (like cost of debt) could change if capital structure or ROE is altered.

SPONSOR:

Jackie Richert

RESPONSIVE DOCUMENTS:

None

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

TEXAS INDUSTRIAL ENERGY CONSUMERS
REQUEST NO.: TIEC-RFI02-03

QUESTION:

At the time of its last base rate case filing, what was the size of the Company's projected five-year capital plan on an aggregate and annual basis?

ANSWER:

At the time of its last base rate case filing, the Company's projected five-year capital plan on an aggregate and annual basis was as follows:

Year	Capital Plan
2019	\$ 979,160,027
2020	\$ 1,027,590,698
2021	\$ 1,177,895,060
2022	\$ 978,865,058
2023	\$ 979,775,726
Total	\$ 5,143,286,568

SPONSOR:

Jackie Richert

RESPONSIVE DOCUMENTS:

None

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

**TEXAS INDUSTRIAL ENERGY CONSUMERS
REQUEST NO.: TIEC-RFI02-04**

QUESTION:

What is the ratio of the aggregate capital spend in the projected five-year capital plan from the Company's last base rate case filing to the Company's total requested rate base in that filing?

ANSWER:

The Company has not performed the requested analysis. Please refer to Schedule II-B in docket 49421 and TIEC 2-3 for the requested Company invested capital calculation.

SPONSOR:

Kristie Colvin / Jackie Richert

RESPONSIVE DOCUMENTS:

None

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

**TEXAS INDUSTRIAL ENERGY CONSUMERS
REQUEST NO.: TIEC-RFI02-05**

QUESTION:

Since its last base rate case filing, how much capital has the Company invested in its system on an aggregate and annual basis?

ANSWER:

Since the last base rate case filing, the company disclosed in its annual Form 10k filings the following invested capital, in aggregate and on an annual basis:

2019	2020	2021	2022	2023	Total
\$ 1,033	\$ 1,281	\$ 2,052	\$ 2,611	\$ 1,895	\$ 8,872

SPONSOR:

Jackie Richert

RESPONSIVE DOCUMENTS:

None

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

**TEXAS INDUSTRIAL ENERGY CONSUMERS
REQUEST NO.: TIEC-RFI02-06**

QUESTION:

Please refer to Ms. Bulkley's Exhibit AEB-14. Which of the entities listed on that exhibit are operating companies that directly engage in the provision of utility service? Which of the entities on that list are the parent company above utility operating companies? For each parent company you identify, please identify each of its utility operating company subsidiaries and, to the extent available, provide the capital structure of each operating company subsidiary.

ANSWER:

Please see the workpaper titled "WP AEB-11 (Capital Structure Analysis - 2-1-2024) (CONFIDENTIAL)" filed with Ms. Bulkley's Direct Testimony which includes all the operating companies directly engaged in the provision of utility service. The weighted ratio tab provides the capital structure of each operating company subsidiary.

SPONSOR:

Ann Bulkley

RESPONSIVE DOCUMENTS:

None

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**TEXAS INDUSTRIAL ENERGY CONSUMERS
REQUEST NO.: TIEC-RFI02-07**

QUESTION:

Please provide a copy of each publication referenced in Ms. Bulkley's testimony. For references to books, please provide the full chapter that is cited by Ms. Bulkley, as well as all other chapters in the book that are directly related to determining the appropriate return on equity for regulated utilities.

ANSWER:

Please see the response to HCC RFP 2-4 for the requested cited sources in Ms. Bulkley's Direct Testimony.

SPONSOR:

Ann Bulkley

RESPONSIVE DOCUMENTS:

None.

CERTIFICATE OF SERVICE

I certify that on May 13, 2024, this document was filed with the Public Utility Commission of Texas in Docket No. 56211, and a true and correct copy of it was served by electronic mail on all parties of record in this proceeding in accordance with the Second Order Suspending Rules issued in Project No. 50664.


