



Filing Receipt

Filing Date - 2024-07-03 02:43:15 PM

Control Number - 56211

Item Number - 413

**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**

**GULF COAST COALITION OF CITIES' RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S
SECOND REQUEST FOR INFORMATION**

Gulf Coast Coalition of Cities (GCCC) files this Response to the Second Request for Information (RFI) filed by CenterPoint Energy Houston Electric, LLC (CenterPoint or CEHE). The discovery request was received by GCCC on June 24, 2024. According to the deadlines set by State Office of Administrative Hearings Order No. 2, this response is timely filed. Pursuant to 16 Texas Administrative Code (TAC) § 22.144(c)(2)(F), this response may be treated as if it were filed under oath.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900
Austin, Texas 78701
(512) 322-5800
(512) 472-0532 (Fax)



THOMAS L. BROCATO
State Bar No. 03039030
tbrocato@lglawfirm.com

CHRISTOPHER L. BREWSTER
State Bar No. 24043570
cbrewster@lglawfirm.com

ROSLYN M. DUBBERSTEIN
State Bar No. 24117520
rdubberstein@lglawfirm.com

**ATTORNEYS FOR GULF COAST
COALITION OF CITIES**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on July 3, 2024, in accordance with the Order Suspending Rules, issued in Project No. 50664.



ROSLYN M. DUBBERSTEIN

GCCC'S RESPONSE TO CENTERPOINT'S SECOND RFI

CEHE 2-1 If not provided with your direct testimony in this case, please provide, in native format, all workpapers and documents supporting the testimony of each witness filing testimony on your behalf in this proceeding.

RESPONSE: Refer to the Direct Testimony of Lane Kollen filed on June 19, 2024.

Prepared by: Roslyn Dubberstein

Sponsored by: Lane Kollen

GCCC'S RESPONSE TO CENTERPOINT'S SECOND RFI

CEHE 2-2 For each testifying expert that has provided testimony for you in this case, please provide (to the extent not provided earlier):

- a. A list of all cases in which the testifying expert has submitted testimony from 2019 to the present;
- b. Copies of all prior testimony, articles, speeches, published materials, and peer-review materials written by the testifying expert from 2019 to the present;
- c. The testifying expert's billing rate for this proceeding; and
- d. All documents provided to, reviewed by, or prepared by or for the testifying expert in anticipation of the testifying expert filing testimony in this proceeding.

RESPONSE:

- a. Refer to the Direct Testimony of Lane Kollen, filed on June 19, 2024, at Attachment LK-1, pages 5-40.
- b. See Response to CEHE 2-2(a). Copies of Mr. Kollen's prior materials are publicly available.
- c. Refer to the Direct Testimony of Lane Kollen, filed on June 19, 2024, at Section VII. and Attachments LK-18 and LK-20.
- d. Refer to the attachments to the Direct Testimony of Lane Kollen filed on June 19, 2024.

Prepared by: Roslyn Dubberstein

Sponsored by: Lane Kollen

GCCC'S RESPONSE TO CENTERPOINT'S SECOND RFI

CEHE 2-3 For each consulting expert whose mental impressions or opinions have been reviewed by one or more of your testifying experts in this case, please provide (to the extent not provided earlier):

- a. A list of all cases in which the consulting expert has submitted testimony from 2019 to the present;
- b. Copies of all prior testimony, articles, speeches, published materials, and peer-reviewed materials written by the consulting expert from 2019 to the present;
- c. The consulting expert's billing rate for this proceeding; and
- d. All documents provided to, reviewed by, or prepared by or for the consulting expert in anticipation of the testifying expert filing testimony in this proceeding.

RESPONSE:

- a. To prepare the cumulative quantification of the city groups' recommendations in this proceeding, Mr. Kollen reviewed adjustments from consultants for Houston Coalition of Cities (HCC) and the Texas Coast Utilities Coalition of Cities (TCUC). Information related to those consultants' prior experience, rates, and documentation relied upon is provided in their respective direct testimonies filed in this docket.
- b. See Response to CEHE 2-3(a).
- c. See Response to CEHE 2-3(a).
- d. See Response to CEHE 2-3(a).

Prepared by: Roslyn Dubberstein
Sponsored by: Lane Kollen

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

GCCC'S RESPONSE TO CENTERPOINT'S SECOND RFI

CEHE 2-4 Please separately state whether each witness is testifying as an expert witness.

RESPONSE: GCCC witness Lane Kollen is testifying as an expert witness.

Prepared by: Roslyn Dubberstein
Sponsored by: Lane Kollen

GCCC'S RESPONSE TO CENTERPOINT'S SECOND RFI

CEHE 2-5 Referring to page 13, lines 14–27 and page 18, line 24 through page 20, line 6 of the Direct Testimony of Lane Kollen, please provide all examples where Mr. Kollen and/or GCCC believes that the Commission erred in its decisions in the past five years.

- a. For each example, please state whether the decision was appealed and if so, what was the outcome of the appeal.
- b. For each example, if the decision was not appealed, please explain why the decision was not appealed.

RESPONSE: As discussed in Mr. Kollen's testimony, it is GCCC's position that the Commission's rationale in Docket No. 53601 related to cost-free customer and supplier financing should not be applied to CenterPoint's application. This is the only prior Commission decision Mr. Kollen references in his direct testimony and is therefore the only prior Commission decision relevant to this request.

- a. The decision in Docket No. 53601 was appealed. The appeal history of Docket No. 53601 is publicly available.
- b. See Response to CEHE 2-5(a).

Prepared by: Roslyn Dubberstein, Lane Kollen
Sponsored by: Lane Kollen

GCCC'S RESPONSE TO CENTERPOINT'S SECOND RFI

CEHE 2-6 Please reconcile the differences in the amounts for the following recommendations between the Direct Testimony of Lane Kollen and the Direct Testimony of Kit Pevoto:

Recommendation	Kollen:	Pevoto:
Remove NOL ADIT from Base Revenue Requirement	\$5,360,000	\$5,332,674
Reduce Amortization Expense to Reflect 10-year Amortization Period for All Named Storms	\$10,938,000	\$19,226,899
Reflect Capital Structure of 42.5% equity/57.5% debt	\$24,923,00	\$22,485,078
Reflect Return on Equity of 9.5%	\$56,565,000	\$24,567,182

RESPONSE: Two of the comparison amounts set forth in the question are incorrect.

The amount shown in the question for Mr. Kollen for reduced amortization expense for all named storms is incorrectly shown as \$10,938,000. The four relevant amounts shown on the table in the Summary section of Mr. Kollen's direct testimony at 4 total \$19.227 million, the same amount, albeit rounded, as the \$19,226,899 million shown in the question for Ms. Pevoto.

The amount shown in the question for Ms. Pevoto to reflect the return on equity is only the transmission amount and excludes the distribution amount. The total shown in Ms. Pevoto's direct testimony at 10 for the return on equity is \$58,546,504 for both transmission and distribution.

The difference between the total amounts shown by Mr. Kollen and Ms. Pevoto for the return on equity are due to the rate base used by each witness and the sequence of the adjustments. Mr. Kollen used the rate base shown in his workpapers, which included additional adjustments that were not reflected in Ms. Pevoto's adjustments. Ms. Pevoto used the rate base shown in her workpapers, which included adjustments that were not reflected in Mr. Kollen's adjustments. Mr. Kollen sequentially quantified the effects of the capital structure and then the effects of the return on equity. When the quantifications of the return on equity and capital structure are combined, Mr. Kollen shows a reduction in the revenue requirement of \$81.488 million, while Ms. Pevoto shows a reduction of \$81,031,582. The different amounts appear to result from differences in the rate base after adjustments quantified by Mr. Kollen and adjustments separately quantified by Ms. Pevoto.

As to the quantification of the NOL ADIT, it appears the difference is due to the sequencing of the adjustments quantified by Mr. Kollen and Ms. Pevoto.

Prepared by: Lane Kollen

Sponsored by: Lane Kollen