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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
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**Houston Coalition of Cities' Responses to
CenterPoint Energy Houston Electric, LLC's Second Request for Information**

Houston Coalition of Cities ("HCC") files its Responses to CenterPoint Energy Houston Electric, LLC's ("CEHE") Second Request for Information. The discovery request was received by HCC on June 24, 2024. Therefore, this response is timely filed.

Respectfully submitted,

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By: /s/ Alton J. Hall, Jr.
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CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of July 2024, a true and correct copy of the foregoing document was served upon on all parties of record by email, facsimile and/or First Class Mail.

/s/ Alton J. Hall, Jr.
Alton J. Hall, Jr.

SOAH DOCKET NO. 473-24-13232
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Houston Coalition of Cities' Responses to
CenterPoint Energy Houston Electric, LLC's Second Request for Information

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:

Each witness who filed direct testimony on behalf of HCC in this docket number filed all workpapers and documents supporting their testimony. Please see PUC Interchange item numbers 363, 364, 365, 368, 371, 377 and 390.

Prepared by: Breandan Mac Mathuna; Kit Pevoto; Mark Garrett; Michael Ivey; and Steven Hunt
Sponsored by: Breandan Mac Mathuna; Kit Pevoto; Mark Garrett; Michael Ivey; and Steven Hunt

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. Mark Garrett:
Please see Exhibit MG-1 attached to Mark Garrett's testimony.

Steven Hunt:
Please see Exhibit SDH-1 attached to Steven Hunt's direct testimony.

Breandan Mac Mathuna
Please see Exhibit BTM-1 attached to Breandan Mac Mathuna's direct testimony.

Michael Ivey:
Michael Ivey has not submitted testimony from 2019 to the present.

Kit Pevoto:

Please see Attachment KP-1 attached to Kit Pevoto's direct testimony.

b. Mark Garrett:

All of Mr. Garrett's testimony is filed of public record and is accessible on the websites of the commissions where he provided testimony. The commissions where he provided testimony and the cases in which he provided testimony are listed on Exhibit MG-1.

Steven Hunt:

Mr. Hunt's testimony is public record and can be sourced via each respective commission's website using the docket numbering included for each testimony set out in his resume at Exhibit SDH-1.

Breandan Mac Mathuna

See Attachment CEHE 2-1, which is a zip folder providing the applicable testimony prepared by Mr. Mac Mathuna since 2019. Additionally, the responsive zip folder contains articles written by Mr. Mac Mathuna.

Michael Ivey:

None.

Kit Pevoto:

Ms. Pevoto's testimony is public record and can be sourced via each respective commission's website using the docket numbering included for each testimony set out in her resume at Attachment KP-1.

c. Mark Garrett:

Mr. Garrett's billing rate is \$250 per hour.

Steven Hunt:

Mr. Hunt's billing rate is \$250 per hour.

Breandan Mac Mathuna:

Mr. Mac Mathuna's billing rate is \$250 per hour.

Michael Ivey:

Mr. Ivey's billing rate is \$250 per hour.

Kit Pevoto:

Ms. Pevoto's billing rate is \$250 per hour.

d. Mark Garrett:

Mr. Garrett reviewed the application testimony and exhibits as well as discovery filed in the case. HCC did not prepare or provide documents to Mr. Garrett in anticipation of filing testimony. All documents prepared or reviewed by Mr.

Garrett in the preparation of filing testimony are cited in his testimony and provided in workpapers to the testimony.

Steven Hunt:

Mr. Hunt reviewed the application testimony and exhibits as well as discovery filed in the case. HCC did not prepare or provide documents to Mr. Hunt in anticipation of filing testimony. All documents prepared or reviewed by Mr. Hunt in the preparation of filing testimony are cited in his testimony and provided in workpapers to the testimony.

Breandan Mac Mathuna:

Mr. Mac Mathuna reviewed the application testimony and exhibits as well as discovery filed in the case. HCC did not prepare or provide documents to Mr. Mathuna in anticipation of filing testimony. All documents prepared or reviewed by Mr. Mac Mathuna in the preparation of filing testimony are cited in his testimony and provided in workpapers to the testimony.

Michael Ivey:

Mr. Ivey reviewed the application testimony and exhibits as well as discovery filed in the case. HCC did not prepare or provide documents to Mr. Ivey in anticipation of filing testimony. All documents prepared or reviewed by Mr. Ivey in the preparation of filing testimony are cited in his testimony and provided in workpapers to the testimony.

Kit Pevoto:

Ms. Pevoto reviewed the application testimony and exhibits as well as discovery filed in the case. HCC did not prepare or provide documents to Ms. Pevoto in anticipation of filing testimony. All documents prepared or reviewed by Ms. Pevoto in the preparation of filing testimony are cited in her testimony and provided in workpapers to the testimony.

Prepared by: Breandan Mac Mathuna; Kit Pevoto; Mark Garrett; Michael Ivey; and Steven Hunt
Sponsored by: Breandan Mac Mathuna; Kit Pevoto; Mark Garrett; Michael Ivey; and Steven Hunt

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-review 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. Mark Garrett:
Ed Farrar has not testified in any cases since 2019.

Steven Hunt, Breandan Mac Mathuna, Michael Ivey and Kit Pevoto:
Did not review the mental impressions or opinions of other consulting experts.
- b. Mark Garrett:
There are no documents fitting this description for Mr. Farrar.
- c. Mark Garrett:
Mr. Farrar's billing rate is \$175 per hour.
- d. Mark Garrett:
Mr. Farrar generally reviewed the same material reviewed by Mr. Garrett in this proceeding.

Prepared by: Breandan Mac Mathuna; Kit Pevoto; Mark Garrett; Michael Ivey; and Steven Hunt
Sponsored by: Breandan Mac Mathuna; Kit Pevoto; Mark Garrett; Michael Ivey; and Steven Hunt

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

RESPONSE:

Mark Garrett, Steven Hunt, Breandan Mac Mathuna, Michael Ivey and Kit Pevoto are each testifying as an expert witness in this proceeding.

Prepared by: Alton Hall
Sponsored by: Alton Hall

CEHE 2-5. Regarding page 27, lines 14–15 of the Direct Testimony of Mark E. Garrett, please provide a listing of “the numerous electric utilities nationwide owned by cities, counties, and tribal nations that do not maintain an investor relations function.”

- a. Please provide all details on expenses such as member relations services that utilities owned by cities, counties, and tribal nations may have that a public utility may not have.
- b. Please provide any details that witness Mr. Mark E. Garrett and/or HCC may have on non-utility services (e.g., parks, swimming pools, libraries, police, and firefighters) that may be paid for by municipal utility rates.

RESPONSE:

- a. Mr. Garrett did not conduct the requested analysis while preparing his testimony.

- b. Mr. Garrett is cognizant of the fact that municipal utilities can fund municipal services via utility rates. However, in contrast to an investor-owned utility, a municipally owned utility is accountable to its customers via the election process.

Prepared by: Mark Garrett
Sponsored by: Mark Garrett

CEHE 2-6. Referring to the Direct Testimony of Mark E. Garrett, please provide all support for the following statements:

- a. On page 29, lines 8–9: “industry associations act primarily in the interests of the utility industry and its owners rather than its captive customers”; and
- b. On page 29, lines 9–11: “EEI provides an array of services to its members, with significant overlap between those services which advocate for members’ private interests and other services that serve the public interest.”

RESPONSE:

- a. This statement is an expression of Mr. Garrett's expert opinion after observing the positions that EEI has taken over several decades.
- b. This statement is an expression of Mr. Garrett's expert opinion after observing the positions that EEI has taken over several decades.

Prepared by: Mark Garrett
Sponsored by: Mark Garrett

CEHE 2-7. Regarding page 16, line 23 through page 18, line 8 of the Direct Testimony of Kit Pevoto— which concludes that establishing rates that are based on the costs to serve customer classes creates “unreasonably disproportionate rate impacts” in this case because “88% of CEHE’s customers would experience a rate increase and the remaining 12% customers would receive a substantial rate reduction”—please explain at what point does the distribution of rate increases to rate decreases become unreasonable (e.g., if 60% of customers would experience a rate increase and 40% a reduction, would that be unreasonable?).

RESPONSE:

As discussed in her testimony on lines 1 through 15 on page 17, Ms. Pevoto made the conclusion based on the disproportional rate impacts among rate classes, which range from an 8.1% increase to a -46.2% decrease. As stated in her testimony, Ms. Pevoto believes that this range of rate impacts among rate classes is disproportional and unreasonable.

Prepared by: Kit Pevoto

Sponsored by: Kit Pevoto

CEHE 2-8. Does HCC and/or witness Ms. Kit Pevoto recommend that if the Commission approves a revenue allocation that is not designed to recover costs by customer class in this case, should the resulting subsidization between classes continue in perpetuity? If not, when or under what conditions would HCC and/or Ms. Pevoto view a return to cost-based rates as appropriate?

RESPONSE:

The retail distribution rates, established based on the revenue requirement assignment resulting from any revenue requirement adjustment plan approved by the Commission, would stay the same until the time when the Commission approves new rates in CEHE's next rate case.

Prepared by: Kit Pevoto

Sponsored by: Kit Pevoto

CEHE 2-9. Regarding page 18, lines 9–16 of the Direct Testimony of Kit Pevoto, please provide specific docket numbers supporting the statement that “[h]istorically, in rate cases where a rate moderation adjustment is necessary to mitigate rate impacts, the Commission has often allowed the use of a rate moderation adjustment mechanism.”

RESPONSE:

Docket Numbers: 35717; 39869; 40443; 46449; and 51415.

Prepared by: Kit Pevoto

Sponsored by: Kit Pevoto

CEHE 2-10. Regarding page 18, lines 16–21 of the Direct Testimony of Kit Pevoto, please confirm or deny whether the example discussed is based on a specific docket or dockets. If the example discussed is based on a specific docket or dockets, please provide the docket number(s).

RESPONSE:

Deny.

Prepared by: Kit Pevoto

Sponsored by: Kit Pevoto

CEHE 2-11. Please explain how HCC and/or witness Ms. Kit Pevoto propose to establish DCRF and TCOS baselines under Ms. Pevoto's proposed rate-moderation adjustment.

RESPONSE:

Ms. Pevoto's proposals on the rate class revenue requirement assignment are for establishing retail distribution rates in this rate case. Ms. Pevoto's proposed distribution revenue requirement assignment among rate classes should be used to establish the allocation factors to be used in allocating the DCRF revenue requirement among rate classes in future CEHE's DCRF applications.

Prepared by: Kit Pevoto

Sponsored by: Kit Pevoto

CEHE 2-12. 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	\$24,923,000	\$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 \$10,938,000 shown in the question for Mr. Kollen for the reduced amortization expense to reflect a 10-year amortization period for all named storms is incorrect. The itemized amounts related to this adjustment are shown on the table in the Summary section of Mr. Kollen's testimony at 4, totaling \$19.227 million. This total is 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's adjustment related to the return on equity is only for the transmission amount. The total adjustment (including both transmission and distribution as shown in Ms. Pevoto's testimony at 10) related to the return on equity is \$58,546,504.

The differences between the adjustment amounts by Mr. Kollen and Ms. Pevoto for the return on equity, the capital structure, and for the NOL ADIT are due to the rate base used by each witness. Ms. Pevoto used the rate base that does not include Mr. Kollen's rate base adjustments.

Prepared by: Kit Pevoto
Sponsored by: Kit Pevoto