



Filing Receipt

Filing Date - 2024-07-12 02:37:21 PM

Control Number - 56211

Item Number - 435

**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

REBUTTAL TESTIMONY

OF

BRAD A. TUTUNJIAN

ON BEHALF OF

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

July 12, 2024

TABLE OF CONTENTS

I.	INTRODUCTION	3
II.	PURPOSE OF REBUTTAL TESTIMONY	3
III.	EEI DUES	4

REBUTTAL TESTIMONY OF BRAD A. TUTUNJIAN

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Brad A. Tutunjian. I am the Vice President, Regulatory Policy for CenterPoint Energy, Inc. My business address is 1111 Louisiana Street, Houston, Texas 77002.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston” or the “Company”).

Q. ARE YOU THE SAME BRAD A. TUTUNJIAN THAT FILED DIRECT TESTIMONY IN THIS DOCKET?

A. Yes.

II. PURPOSE OF REBUTTAL TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. In my rebuttal testimony, I respond to arguments related to Edison Electric Institute (“EET”) dues presented in the direct testimony of Mark E. Garrett on behalf of the Houston Coalition of Cities (“HCC”).¹

Q. HOW DOES YOUR REBUTTAL TESTIMONY RELATE TO THE REBUTTAL TESTIMONY OF OTHER WITNESSES WHO ARE COVERING RELATED TOPICS?

A. My rebuttal testimony addresses intervenor opposition to cost recovery for EET dues included in the test year in this base rate proceeding. Company witness Kristie

¹ Direct Testimony of Mark E. Garrett (“M. Garrett Direct”) at 29:3-38:15 (Jun. 19, 2024).

1 Colvin's rebuttal testimony addresses accounting and ratemaking aspects of the EEI
2 dues included in the test year.

3 **Q. WAS THIS REBUTTAL TESTIMONY PREPARED BY YOU OR UNDER**
4 **YOUR DIRECT SUPERVISION AND CONTROL?**

5 A. Yes.

6 **III. EEI DUES**

7 **Q. WHAT DOES HCC RECOMMEND ABOUT EEI DUES?**

8 A. Mr. Garrett, on behalf of HCC, recommends disallowance of the \$877,853 in EEI
9 dues "[u]ntil the Company can demonstrate that its request for recovery of EEI
10 membership dues relates to customer interests rather than lobbying and broader
11 industry advocacy efforts."² Mr. Garrett argues that:

- 12 • EEI dues are elective expenditures that should be funded by shareholders
13 because industry associations act primarily in the interest of industry/owners
14 and not customers and that the Company should have to provide a clear showing
15 that EEI dues promote customer interests before recovery is permitted.³
- 16 • The percentage allocated to lobbying on dues invoices does not reflect the full
17 range of activities that promote private interests.⁴
- 18 • FERC is investigating this issue; other state commissions have disallowed
19 industry dues related to advocacy work; federal legislation has been introduced;
20 and state legislation has been enacted.⁵

² *Id.* at 38:11-13.

³ *Id.* at 29:7-15.

⁴ *Id.* at 31:1-10, 37:12-38:3.

⁵ *Id.* at 33:1-37:10.

1 **Q. WHAT IS EEI?**

2 A. EEI is the association that represents all U.S. investor-owned electric companies.
3 EEI members provide electricity for nearly 250 million Americans and operate in
4 all 50 states and the District of Columbia.⁶

5 **Q. DOES MR. GARRETT ACCURATELY DESCRIBE THE AMOUNT OF**
6 **EEI DUES THAT THE COMPANY IS REQUESTING TO RECOVER?**

7 A. No, he does not. Please see the testimony of Ms. Colvin for additional information
8 on the actual amount requested.

9 **Q. DOES THE COMPANY AGREE WITH MR. GARRETT'S PROPOSED**
10 **DISALLOWANCE OF EEI DUES?**

11 A. No.

12 **Q. PLEASE RESPOND TO HIS CLAIM THAT EEI AND OTHER INDUSTRY**
13 **ASSOCIATIONS DO NOT ACT IN THE INTEREST OF CUSTOMERS.**

14 A. I disagree with his unsupported conclusion. EEI membership provides strong
15 customer benefits in multiple areas, including reliability, resiliency, and restoration
16 activities. There are also customer benefits from EEI's work on grid security. The
17 Company engages with EEI to learn about emerging issues and work to understand
18 their impact on the Company and our customers.⁷ CenterPoint Houston gains
19 important types of customer-beneficial information from its participation in EEI,
20 including participation in EEI's bi-annual "Transmission, Distribution, Metering

⁶ About EEI, <https://www.eei.org/about-eei/About> (last visited Jul. 10, 2024).

⁷ CenterPoint Houston's Responses to Houston Coalition of Cities' Sixth Requests for Information and Fourth Requests for Production at 15 (HCC-RFI06-04) (May 13, 2024).

1 and Mutual Assistance” conferences, various EEI task forces and committees, and
2 EEI’s wildfire mitigation community.

3 **Q. PLEASE DESCRIBE THE COMPANY’S PARTICIPATION IN THE BI-**
4 **ANNUAL “TRANSMISSION, DISTRIBUTION, METERING, AND**
5 **MUTUAL ASSISTANCE” CONFERENCES.**

6 A. CenterPoint Houston participates in bi-annual EEI “Transmission, Distribution,
7 Metering and Mutual Assistance” conferences where the Company learns of best
8 practices within the industry for each of the subject areas and new technology
9 implemented by other investor-owned utilities (“IOUs”). The Company also has
10 the opportunity to learn from our federal government partners and work closely
11 with them to collaborate to solve industry issues affecting our customers.
12 Additionally, EEI owns the Resource Allocation Management Platform for Utility
13 Professionals (Ramp-Up tool), which is the national agreed upon platform for
14 requesting, matching, and allocating resources for electric emergency
15 events. CenterPoint Houston uses this tool for assisting other IOUs, as well as for
16 requesting resources when needed, to restore customer service following storms
17 and other emergency events. Furthermore, CenterPoint Houston participates in
18 EEI’s National Response Event (“NRE”) exercise including service by Company
19 representatives on the exercise development team. These exercise events include
20 the National Response Executive Committee (NREC), National Mutual Assistance
21 Resource Team (NMART), EEI, regional mutual assistance groups (RMAGs),
22 governmental agencies, trade associations, and several electric utility industry
23 contract partners. The exercises test the core capabilities of the participants in the

1 use of the NRE playbook and their interactions and collaboration with
2 governmental agencies, trade associations, communication companies, and contract
3 partners to meet customer needs and maintain or restore service during
4 emergencies. CenterPoint Houston is currently adopting some aspects of the EEI
5 NRE tabletop and functional exercises to enhance the Company's emergency
6 preparedness and response activities.

7 **Q. PLEASE DESCRIBE THE COMPANY'S PARTICIPATION IN EEI**
8 **COMMITTEES AND TASK FORCES.**

9 A. CenterPoint Houston participates in the EEI Occupational Safety & Health
10 Committee, the EEI Occupational Safety & Health Executive Advisory Committee
11 and several EEI Task Force Committees including Construction Safety and
12 Recordkeeping. CenterPoint Energy Service Company, LLC's VP of Safety and
13 Technical Training held the vice chair and chair position on the EEI Occupational
14 Safety & Health Committee for a total of 5 years. In his role as chair of the EEI
15 Occupational Safety & Health Committee, our VP led weekly benchmarking calls
16 on COVID protocols to protect transmission and distribution employees during the
17 pandemic. Members of the CenterPoint Houston staff worked to develop and
18 implement techniques to reduce and eliminate serious injuries and fatalities (SIFs)
19 in the electric utility industry. This work led to the EEI Safety Classification and
20 Learning system that many peer electric utilities use to classify and evaluate
21 injuries. This system allows companies across the industry to share and learn how
22 to prevent injuries in transmission and distribution operations collectively.
23 Additional work included the development of Precursors to SIFs, which allows

1 CenterPoint Houston and other utilities to identify conditions that could lead to a
2 serious injury or fatality before work begins. Currently, our VP serves as the chair
3 of the EEI Safety and Health Executive Advisory Committee where he helps
4 facilitate the development and adoption of safety processes and programs that focus
5 on improving system and employee safety. Increased safety of utility personnel
6 translates into reduced costs for utility customers.

7 **Q. PLEASE DESCRIBE THE COMPANY'S PARTICIPATION IN EEI'S**
8 **WILDFIRE MITIGATION COMMUNITY.**

9 A. The EEI Wildfire Mitigation community includes webinar series, an in-person
10 wildfire mitigation conference scheduled mid-May 2024, and an online wildfire
11 toolkit community forum to share best practices and discussion topics. The
12 Webinar Series shared peer-to-peer leading practices to assist in the development
13 of wildfire mitigation plans. The topics included conducting risk assessments,
14 situational awareness tools/vegetation management, public safety power shutoffs,
15 grid hardening, and community outreach and engagement. Through this
16 engagement, CenterPoint Houston has gained meaningful value for its customers
17 through wildfire mitigation plan development. The Company is leveraging the
18 experience of member companies regarding best practices, processes, technology,
19 and tools to enhance the Company's own wildfire mitigation preparedness
20 activities.⁸

⁸ *Id.* at 19 (HCC-RF106-08).

1 **Q. DO YOU AGREE WITH MR. GARRETT THAT CENTERPOINT**
2 **HOUSTON HAS NOT PROPERLY REFLECTED THE PORTION OF EEI**
3 **DUES THAT ARE USED TO SUPPORT ADVOCACY?**

4 A. No, I disagree. EEI provides a careful breakdown of the portion of dues that support
5 industry advocacy, and CenterPoint Houston has removed that portion of EEI dues
6 from its revenue requirement request in this proceeding.

7 **Q. WHY DOES EEI PROVIDE THE PERCENTAGE ALLOCABLE TO**
8 **LOBBYING TO ITS MEMBERS?**

9 A. EEI provides this breakdown to satisfy Internal Revenue Service requirements
10 surrounding lobbying activities, whereby they must disclose to each member the
11 percentage of dues that are attributable to lobbying or pay a proxy tax.⁹ Ms. Colvin
12 addresses this in more detail in her rebuttal testimony.

13 **Q. IS THE COMPANY'S TREATMENT OF EEI COSTS IN THIS CASE**
14 **CONSISTENT WITH HOW THE COMPANY HAS ACCOUNTED FOR**
15 **EEI COSTS IN THE PAST?**

16 A. Yes.

17 **Q. SHOULD THE COMMISSION ACCEPT MR. GARRETT'S PROPOSAL**
18 **RELATED TO EEI DUES?**

19 A. No. EEI provides a number of services that customers benefit from, and EEI has a
20 thorough and detailed process for calculating the amount of EEI member dues
21 associated with lobbying activity. The Company is not seeking recovery of the

⁹ IRC § 6033(e).

1 portion of EEI dues associated with lobbying activity. The Commission should
2 reject Mr. Garrett's proposed adjustment to EEI dues.

3 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

4 **A. Yes.**

Affidavit of Brad A. Tutunjian
to be provided

CERTIFICATE OF SERVICE

I certify that a true and correct copy of this filing has been forwarded to all parties of record via electronic mail on July 12, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/Mark Santos

Mark Santos