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<b>APPLICATION OF CENTERPOINT</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
<b>ENERGY HOUSTON ELECTRIC,</b>	<b>§</b>	
<b>LLC FOR APPROVAL OF ITS 2026-</b>	<b>§</b>	<b>OF</b>
<b>2028 TRANSMISSION AND</b>	<b>§</b>	
<b>DISTRIBUTION SYSTEM</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>
<b>RESILIENCY PLAN</b>	<b>§</b>	

**DIRECT TESTIMONY  
OF  
STEVEN D. HUNT**

**ON BEHALF OF THE  
HOUSTON COALITION OF CITIES**

**APRIL 8, 2025**

**DIRECT TESTIMONY OF STEVEN D. HUNT**

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## **EXHIBITS**

- |       |                                       |
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| SDH-1 | Professional Resume of Steven D. Hunt |
| SDH-2 | Affidavit of Alton J. Hall, Jr.       |

**I. INTRODUCTION**

**Q. Please state your name, occupation and business address.**

A. My name is Steven D. Hunt. My business address is 1850 Parkway Place, Marietta, GA 30067. I am a Principal at the firm GDS Associates, Inc. ("GDS").

**Q. On whose behalf are you appearing and in what capacity?**

A. I have been retained by the City of Houston ("COH") as an expert witness in this proceeding.

**Q. What are your principal areas of responsibility in this capacity?**

A. I was asked to review CEHE's distribution-related costs included in its proposed revenue requirement for the DCRF Update, including income taxes, property tax adjustments, accounting changes, and distribution-related capitalized projects.

**Q. Please outline your formal education.**

A. I earned a Bachelor of Science in Business with a major in Accounting from Virginia Polytechnic Institute and State University ("Virginia Tech") in 2001. Additionally, I earned a Master of Accounting and Information Systems from Virginia Tech in 2002.

**Q. Are you a Certified Public Accountant?**

A. Yes. I am a Certified Public Accountant licensed in Washington, D.C.

**Q. Please state your professional experience.**

A. I am an accounting and rate specialist with 23 years of experience on regulatory accounting and cost-of-service ("COS") rate regulation matters in the electric, natural gas, and oil industries. I began working at GDS in August 2020 as Senior Project Manager and advanced to a Principal in 2024. During my time at GDS I have provided expert accounting and rate reviews of costs included in the revenue requirement of electric utility companies for retail and wholesale rate determinations and natural gas distribution companies for retail rate

1 purposes. For example, I have provided expert testimony for several base rate case and DCRF  
2 Update proceedings in Texas.

3 Prior to GDS, I worked at the Federal Energy Regulatory Commission (“FERC”) from 2002-  
4 2020. I worked entirely in the Regulatory Accounting program as an Accounting Analyst,  
5 Manager, Deputy Chief Accountant, and Chief Accountant, wherein I worked directly with  
6 FERC’s rate and legal programs on numerous electric and natural gas rate applications,  
7 accounting request filings, policy statements, rulemakings, and accounting guidance letter  
8 orders. Additionally, I was a leading author or reviewing official for most FERC accounting  
9 orders and audit reports in the electric, natural gas, and oil industries for the majority of my  
10 tenure at FERC.

11 As a leader in FERC’s audit program, I became directly involved in the initial risk assessment  
12 processes to determine audit focus areas, initial and supplemental discovery requests and  
13 interrogation, presenting findings of fact through draft audit reports, defending the findings  
14 of fact based on the evidentiary record and FERC precedent, and drafting final public audit  
15 reports that present the scope of audit work, audit methodologies, and findings and  
16 recommendations. Through these experiences, I frequently evaluated ratemaking concepts  
17 and precedent, utility operations, customer concerns, utility needs, and financial accounting  
18 and income tax requirements to identify and resolve macro- and micro-regulatory issues. For  
19 13 years, I represented FERC’s accounting and audit programs externally through frequent  
20 public speaking engagements at industry conferences and meetings.

21 **Q. Please describe GDS Associates, Inc.**

22 A. GDS is an engineering and consulting firm with offices in Marietta, Georgia; Austin, Texas;  
23 Auburn, Alabama; Bedford, New Hampshire; Redmond, Washington; and Madison,

1 Wisconsin. GDS has over 190 employees with backgrounds in engineering, accounting,  
2 management, economics, finance, and statistics. GDS provides rate and regulatory consulting  
3 services in the electric, natural gas, water, and telephone utility industries. GDS also provides  
4 a variety of other services in the electric utility industry including power supply planning,  
5 generation support services, financial analysis, load forecasting, and statistical services. Our  
6 clients are primarily publicly owned utilities, municipalities, customers of privately owned  
7 utilities, groups or associations of customers, and government agencies.

8 **Q. Have you testified before any regulatory commissions?**

9 A. I submitted testimony before the following regulatory bodies:

- 10 • Public Utility Commission of Texas
- 11 • Railroad Commission of Texas
- 12 • Vermont Public Utility Commission
- 13 • Maryland Public Service Commission
- 14 • Federal Energy Regulatory Commission

15 **Q. Have you prepared an exhibit describing your qualifications and experience?**

16 A. Yes. I attached Exhibit SDH-1, which is a summary of my regulatory experience and  
17 qualifications.

## 18 **II. SCOPE OF TESTIMONY AND SUMMARY OF RECOMMENDATIONS**

18 **Q. What is the purpose of your testimony in this proceeding?**

19 A. The purpose of my testimony is to present my recommendations regarding CenterPoint  
20 Energy Houston Electric, LLC's ("CEHE") Transmission and Distribution System Resiliency  
21 Plan ("Plan") and proposed Microgrid Pilot Program based on my review of the filing and  
22 supporting documents.

1   **Q.     Please summarize CEHE’s proposal in this proceeding and the positions you take in**  
2       **your testimony.**

3   A.     In this proceeding, CEHE proposes a System Resiliency Plan (“SRP”), which includes a series  
4       of Resiliency Measures intended to support the continued safe and reliable operation of  
5       Company’s transmission and distribution system through various Resiliency Events,  
6       including extreme weather events. CEHE explains that the SRP costs will primarily involve  
7       capital spend estimated to be approximately \$5.543 billion but will also include approximately  
8       \$210.7 million in incremental O&M expense.<sup>1</sup> The SRP capital and O&M expense are  
9       planned to be spent over a three-year period, beginning in 2026.<sup>2</sup>

10      CEHE also proposes in this proceeding, Commission approval of a pilot Microgrid Pilot  
11      Program through which the Company would coordinate with selected third-party entities in  
12      the study, design, implementation, and operation of utility scale microgrids in the CEHE’s  
13      service area.<sup>3</sup> CEHE states that through the proposed Microgrid Pilot Program, CEHE would  
14      obtain additional operational data and experience to inform both the Company and the  
15      Commission on the demonstrated benefits of utility scale microgrids as a Resiliency Measure,  
16      as well as the further development and refinement of engineering and operational standards  
17      for utility scale microgrids and potential future integration of utility scale microgrids in the  
18      Company’s service area.<sup>4</sup>

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<sup>1</sup> Application at Page 16 (Bates page 16).

<sup>2</sup> *Id.*

<sup>3</sup> Direct Testimony of Brad A. Tutunjian, Executive Summary (Bates 784). See also Exhibit 1, CEHE’s Transmission and Distribution System Resiliency Plan at Pages 141-143 (Bates pages 176-178).

<sup>4</sup> Direct Testimony of Brad A. Tutunjian at Page 7:1-7 (Bates 791).



1 CEHE further requests the Commission to include the Company's requested accounting  
2 language in the Commission's order authorizing certain regulatory asset treatments, which  
3 would include depreciation, carrying costs, and other O&M costs.

4 I recommend the Commission require periodic reporting of the progress of the microgrid  
5 program. Also, upon the selection of third-party entities to design the utility scale microgrid  
6 and the completion of the construction design phase, I recommend CEHE submit a detail  
7 project report outlining the scope of each microgrid, the project costs, the expected project  
8 benefits, reasoning for selection sites, and estimate the ongoing cost to operate and maintain  
9 the microgrids. Additionally, I make several recommendations related to CEHE proposed  
10 accounting and rate treatments of SRP project costs. Specifically, I recommend:

- 11 • CEHE's microgrid program be accounted for as a capital asset rather than a  
12 regulatory asset.
- 13 • The Commission clarify that while CEHE's accumulated deferred income  
14 ("ADIT") tax liabilities associated with the SRP projects are yet to be included  
15 in rates and not included in the Company's carrying cost calculation that any  
16 corresponding net operating loss ADIT asset must also be excluded from  
17 CEHE's DCRF filings.
- 18 • The Commission clarifies that distribution-related capital SRP costs should not  
19 be both deferred as a regulatory asset and recovered through a DCRF filing.

### III. MICROGRID PILOT PROGRAM

#### 20 Q. Please explain a utility-scale microgrid.

21 A. CEHE explains that a utility-scale microgrid is a microgrid which consists of multiple points  
22 of delivery interconnected through the utility's distribution system which can operate in

1 parallel with the distribution system or isolate and operate in an islanded mode in an  
2 emergency load shed condition.<sup>5</sup>

3 **Q. Why is CEHE pursuing microgrid pilot program?**

4 A. CEHE states it seeks to test these isolated islands and provide input on their effects to  
5 customers and the grid as a whole during appropriate Resiliency Events.<sup>6</sup> The Company states  
6 it wants to provide the Commission with a wholistic picture of its resiliency efforts.<sup>7</sup> CEHE  
7 explains that setting aside resources to innovate, respond to customer interests, and explore  
8 new strategies is essential for the Company to create new solutions to reliability issues.  
9 Accordingly, CEHE believes the Microgrid Pilot Program is a part of the Company's  
10 systematic approach to improve the resiliency of its system and become a model for other  
11 utilities to follow.<sup>8</sup>

12 **Q. Does CEHE provide additional reasons for pursuing the microgrid pilot program?**

13 A. Yes. CEHE states the Company has not collected sufficient evidence on utility-scale  
14 microgrids to demonstrate the requirements of a Resiliency Measure to the Commission.<sup>9</sup>  
15 CEHE states it seeks to obtain additional operational data and experience as to how a utility-  
16 scale microgrid—including utility-scale microgrids which serve a city or city facilities—  
17 would perform during a Resiliency Event.<sup>10</sup> Accordingly, CEHE proposes the Microgrid Pilot  
18 Program to obtain additional operational data and experience to inform both the Company  
19 and the Commission regarding the demonstrated benefits of utility scale microgrids as a  
20 Resiliency Measure, the further development and refinement of engineering and operational

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<sup>5</sup> See Direct Testimony of Brad A. Tutunjian at Page 4:18-21 (Bates 788).

<sup>6</sup> *Id.* at Page 5:9-11 (Bates 789).

<sup>7</sup> *Id.* at Page 5:15-19 (Bates 789).

<sup>8</sup> *Id.* at Page 5:19-21 (Bates 789).

<sup>9</sup> *Id.* at Page 5:22-23 (Bates 789).

<sup>10</sup> *Id.* at Page 5:22- 6:1 (Bates 790-791).

standards for utility scale microgrids, and potential future integration of utility scale microgrids in the Company's service area.<sup>11</sup>

**Q. How does CEHE propose to implement the development of utility scale microgrids?**

A. CEHE proposes the following phases to implement the development of utility scale microgrids:<sup>12</sup>

- Request for Proposal
- Evaluation of the bids submitted
- Study, Design, and Engineering
- Construction and Installation
- Operations

**Q. Has CEHE provided detailed plans regarding its expectations of its microgrid program?**

A. No. CEHE has stated it does not know how many microgrids it will seek to develop and has only provided general intentions to achieve load diversity and to include at least one microgrid to serve a city or city facilities.<sup>13</sup>

**Q. What rate requests does CEHE seek for its microgrid program?**

A. CEHE requests it be permitted to defer the costs associated with the study, design, implementation, and operation of the Microgrid Pilot Program in the requested regulatory asset to be permitted to recover such costs in a future proceeding. CEHE commits that the costs associated with the program will not exceed \$35 million.<sup>14</sup>

**Q. What are your recommendations regarding CEHE's proposed microgrid program?**

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<sup>11</sup> *Id.* at Page 6:2-7 (Bates 791).

<sup>12</sup> *Id.* at Page 7:10- 8:10 (Bates 791-792).

<sup>13</sup> *Id.* at Page 8:13-18 (Bates 792).

<sup>14</sup> *Id.* at Page 9:22- 10:2 (Bates 793-794).

1 A. First, I recommend the Commission requires CEHE to submit quarterly or semi-annual status  
2 progress reports detailing the costs, budget, phases completed and ongoing prior to the  
3 construction and operation of the microgrids. Further, prior to CEHE commencing the  
4 construction phase of any microgrids, I recommend CEHE submit its proposed plan to  
5 construct and operate the proposed microgrids demonstrating the expected benefits of  
6 developing the proposed microgrids are prudent investments and in the public interest. These  
7 measures are intended to provide transparency and reasonable regulatory oversight on the  
8 development of the microgrids program throughout the development process to provide the  
9 Commission and stakeholders with opportunities to ensure the investment decisions are  
10 prudent prior to the ultimate construction and operation of the microgrids.

11 Second, the microgrid program costs should receive accounting and rate treatments no  
12 different than any utility construction project. That is, under the FERC Uniform System of  
13 Accounts, costs incurred to determine feasibility of a proposed project are recorded in  
14 Account 183, Preliminary, Survey, and Investigation Charges. Once feasibility has been  
15 reached, the project costs are transferred to Account 107, Construction Work in Progress –  
16 Electric, and a utility may begin capitalizing AFUDC accruals. Then, once the asset is placed  
17 in service, a utility is generally able to earn a return on the operational asset at the weighted  
18 average cost of capital. However, CEHE proposes to record the costs of the microgrid  
19 program as a regulatory asset rather than being treated as the construction of utility plant that  
20 may be placed in service. For this reason, I recommend the Commission modify CEHE’s  
21 proposed accounting for the microgrid development and construction costs. Only to the extent  
22 that CEHE incurs operating costs after the microgrid project is placed in service, should such  
23 costs be recorded as a regulatory asset. Furthermore, it appears that CEHE intends to

1 commingle the microgrid program in the same regulatory asset intended to record CEHE's  
2 SRP costs. However, CEHE has explained that the microgrid is not a part of the SRP and its  
3 costs should not be included in the same regulatory asset account. Accordingly, I recommend  
4 the costs of the microgrid program be treated consistent with the FERC USofA as discussed  
5 above and remain separate from any regulatory asset authorized for the SRP.

#### 6 **IV. ACCUMULATED DEFERRED INCOME TAXES**

7 **Q. Please explain CEHE's treatment for ADIT related to its proposed SRP regulatory asset.**

8 A. In response to discovery HCC-FRI02-01, CEHE explains its reasoning for excluding ADIT  
9 liabilities associated with costs deferred in the SRP regulatory asset from the computation of  
10 carrying costs. CEHE states that for book purposes, the cost of the SRP will be deferred to a  
11 regulatory asset and recovered and recognized in a manner to be determined in a future  
12 ratemaking proceeding. For tax purposes, CEHE explains the cost of the SRP will be  
13 recognized as current tax deductions in the year incurred, which includes depreciation as well  
14 as other deductible expenses. This results in two book-tax differences giving rise to deferred  
15 income tax expense and related ADFIT liabilities – one for the accumulated depreciation  
16 accrued on the books as compared with the cumulative tax depreciation deductions and  
17 another for the accumulated amounts deferred on the books (e.g. O&M and A&G, etc.) and  
18 deducted for tax purposes. CEHE explains that ADIT is not taken into consideration in the  
19 calculation of carrying costs that are deferred to the regulatory asset since those ADFIT  
20 balances have not been supported by customers during that period of time.

21 **Q. What is your concern and recommendation regarding the treatment of ADIT related to**  
22 **the SRP regulatory asset?**

1 A. CEHE confirms that the expenses deferred to the SRP regulatory asset generate ADIT  
2 liabilities that will not be factored into rates through the carrying costs computation. However,  
3 CEHE does not address the treatment of the corresponding amounts of deferred tax assets  
4 created through net operating losses generated by the tax deductions on the expenses deferred  
5 to the SRP regulatory asset. Simply said, the expenses deferred to the SRP regulatory asset  
6 generates both ADIT liabilities and an ADIT asset since CEHE has net operating loss  
7 carryforwards (“NOLC”) for ratemaking purposes. My concern is that CEHE may include  
8 the ADIT asset for NOLC in rates through the future DCRF filings or other rate mechanisms,  
9 while excluding the ADIT liability on the SRP regulatory asset prior to collecting the  
10 regulatory asset in rates. To remedy this imbalance, I recommend the Commission direct  
11 CEHE to exclude the NOLC ADIT asset associated with the SRP regulatory asset ADIT  
12 liability from rate recovery in any future DCRF filings or other rate mechanisms until the SRP  
13 regulatory asset and associated ADIT liability is allowed to be included in rates.

14 **V. SRP REGULATORY ASSET**

15 **Q. Please discuss CEHE’s SRP regulatory asset proposal.**

16 A. CEHE notes PURA § 38.078(k) permits deferral of distribution-related costs relating to the  
17 implementation of an electric utility’s resiliency plan and requests that any Commission order  
18 approving the SRP include specific language on the treatment of regulatory assets.<sup>15</sup>  
19 Specifically, CEHE requests the following language be included in any Commission order  
20 approving the SRP.

21 “Effective on the earlier of the date of a final order in this proceeding or January 1, 2026,  
22 CenterPoint Houston may defer all or a portion of the distribution-related costs relating to

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<sup>15</sup> Application at Page 18 (Bates page 18).

1 the implementation of the Company's System Resiliency Plan over a 3-year period for  
2 future recovery as a regulatory asset, including depreciation expense and carrying costs at  
3 the Company's weighted average cost of capital as established by the Commission's final  
4 order in the Company's most recent base rate proceeding, and use Commission-authorized  
5 cost recovery alternatives under 16 Tex. Admin. Code §§ 25.239 and 25.243 or another  
6 general rate proceeding."<sup>16</sup>

7 CEHE also requests the following language be included in any Commission order approving  
8 the SRP.

9 "Effective on the earlier of the date of a final order in this proceeding or January 1, 2026,  
10 CenterPoint Houston may defer the annual incremental distribution-related vegetation  
11 management costs relating to the implementation of the Company's System Resiliency  
12 Plan over a 3-year period for future recovery as a regulatory asset, including carrying costs  
13 at the Company's weighted average cost of capital established in the Commission's final  
14 order in the Company's most recent base rate proceeding, and use Commission-authorized  
15 cost recovery alternatives under 16 Tex. Admin. Code §§ 25.239 and 25.243 or another  
16 general rate proceeding. The annual baseline amount that will be used to determine the  
17 annual incremental distribution-related vegetation management costs shall be \$46 million.  
18 Annual distribution-related vegetation management costs that exceed the annual baseline  
19 amount of \$46 million shall be considered the annual incremental distribution-related  
20 vegetation management costs relating to the implementation of the Company's System  
21 Resiliency Plan and thus eligible to be deferred for future recovery as a regulatory asset."<sup>17</sup>

22 **Q. What costs does CEHE propose to include in the SRP regulatory asset?**

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<sup>16</sup> *Id.* at Pages 18-19 (Bates pages 18-19).

<sup>17</sup> *Id.* at Page 19 (Bates page 19).

1 A. CEHE proposes to defer the distribution-related costs associated with the SRP, which include  
2 but not proposed to be limited to depreciation expense on capitalized SRP projects, carrying  
3 costs, and other incremental costs of the SRP, such as O&M expenses and property tax.<sup>18</sup>

4 CEHE also proposes to defer the costs associated with study, design, implementation, and  
5 operation of the Company's Microgrid Pilot Program in the SRP regulatory asset.<sup>19</sup>

6 **Q. Please discuss your concerns associated with CEHE's proposed treatment of the SRP**  
7 **regulatory asset.**

8 A. In response to discovery HCC-RFI02-12, CEHE explains that "to the extent that SRP capital  
9 costs are distribution-related and eligible to be included in the Company's DCRF filings, those  
10 costs will be included accordingly." My concern is that CEHE's proposed regulatory asset  
11 treatment provides for the Company to defer depreciation expense, return, and property taxes  
12 on SRP projects, which should disqualify such projects from being included in the DCRF  
13 filings. Under the DCRF recovery mechanism, CEHE may recover depreciation, return, and  
14 property taxes on distribution-related property and the Company has historically sought at  
15 least one DCRF filing annually in recent years. Should these costs associated with  
16 distribution-related capital SRP projects be deferred as a regulatory asset, SRP projects should  
17 be excluded from DCRF recovery. It should also be noted that the shortened timeframes  
18 afforded for stakeholders and regulatory oversight in the DCRF make it extremely  
19 challenging, if not impossible, to ensure that CEHE would not be double recovering cost of  
20 depreciation, return, and property taxes through the SRP regulatory asset deferral and DCRF  
21 recoveries. Accordingly, I recommend the Commission clarify that distribution-related capital  
22 projects should be excluded from the DCRF.

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<sup>18</sup> Direct Testimony of Jeff W. Garmon at Page 10:26-28 (Bates page 898).

<sup>19</sup> Direct Testimony of Brad A. Tutunjian at Page (9:20-22 (Bates page 793)).



1 Alternatively, should the distribution-related SRP capital costs be eligible for DCRF  
2 recoveries, all costs previously deferred associated with the projects included in the DCRF  
3 should be written off from the SRP regulatory asset. This alternative would ensure the SRP  
4 capital projects are treated consistently with all other capital projects recovered through the  
5 DCRF.

**VI. RATE CASE EXPENSES**

6 **Q. What is the amount of rate case expenses associated with GDS Associates, Inc. (“GDS”**  
7 **in this proceeding through February 2025?**

8 A. GDS’s professional fees through February 2025 billings were \$27,006.25. These fees were  
9 for time spent reviewing application testimony, schedules and workpapers, discovery  
10 responses, developing discovery, developing issues, developing analyses and schedules,  
11 conferring with counsel, and conferring with other experts working on the case. I am the  
12 GDS project manager for this case and I delegated certain tasks to GDS technical staff  
13 under my supervision. I billed at a rate of \$250.00 per hour and other GDS staff working  
14 under my supervision billed at a rate of \$225.00 per hour. A schedule of the hours billed  
15 is attached to Exhibit SDH-2, the Affidavit of Alton J. Hall, Jr. GDS billings for this  
16 proceeding included in Exhibit SDH-2 also include the hours supporting similar activities  
17 for Witness Kevin Mara and Witness Michael Ivey, who are also GDS employees. The  
18 professional fees supporting Mr. Mara and Mr. Ivey are reflected in the rate case expenses  
19 discussed herein.

20 **Q. Do you anticipate charging additional fees to complete this case?**

21 A. Yes. In March and April 2025, Mr. Mara, Mr. Ivey, and myself have spent time reviewing  
22 and conducting research, reviewing responses to discovery, and drafting testimony and

1 exhibits. I anticipate additional work to complete this project will be predominately  
2 performed by Mr. Mara, Mr. Ivey, and myself. We would expect the additional work to  
3 include the review and analysis of other intervenor and Staff testimony, review and analysis  
4 of CEHE rebuttal testimony, participation in settlement conferences, participation in  
5 settlement activities, preparation for and attendance at hearings (if necessary) and other  
6 activities required to assist legal counsel. I estimate this additional work, inclusive of the  
7 work spent in March 2025 until the end of the proceeding, to cost \$ 75,000.00.

8 **Q. Are GDS billing rates and time spent on tasks in this case reasonable?**

9 A. Yes. The GDS billing rates are reasonable and reflect a discount on what GDS charges for  
10 services provided to similar clients. GDS rates are in the range of rates charged by other  
11 consultants with similar experience and is reasonable for consultants providing these similar  
12 regulatory and expert witness services in Texas. GDS' hourly billing rate is particularly  
13 reasonable given the qualifications and experience as discussed in the resumes of Witnesses  
14 Mr. Kevin Mara, Michael Ivey, and Steven Hunt.

15 **Q. Do the GDS charges include any of the times of charges that may be excludable?**

16 A. No. GDS has not included any out-of-pocket expenses at this time. The GDS charges are  
17 entirely for professional fees.

18 **Q. Was there any duplication of services or testimony?**

19 A. No. GDS witnesses coordinated with the other city groups participating in this proceeding,  
20 so there has been no duplication of services or testimony.

21 **Q. Do the issues raised in your testimony have a reasonable basis in law, policy, and fact?**

22 A. Yes. The issues raised in my testimony are reasonably based in law, policy, and fact.  
23 Additionally, the issues raised in my testimony are factually accurate and consistent with

1 sound regulatory law and policy.

2 **Q. What is your conclusion regarding GDS's actual charges?**

3 A. In my opinion, the GDS fees of \$27,006.25 incurred through February 2025 are reasonable  
4 and necessary and are not disproportionate, excessive, or unwarranted in relation to the  
5 nature and scope of the filing. Furthermore, to the best of my knowledge, I have fully  
6 performed all the tasks as described earlier in this testimony and as identified in my  
7 invoices to date.

8 **Q. What is your conclusion regarding GDS's estimated charges?**

9 A. In my opinion, the GDS estimated fees of \$75,000.00 to complete this case are reasonable  
10 and necessary and are not disproportionate, excessive, or unwarranted in relation to the  
11 nature and scope of the filing. These fees will include compiling and analyzing information  
12 and data, conducting research, participating in a settlement conference, participating in and  
13 preparing questions for witness deposition (if necessary) , preparing testimony, schedules,  
14 attachments, workpapers, reviewing the applicants' rebuttal testimonies when filed,  
15 developing and reviewing discovery related to rebuttal testimony, preparing for hearing  
16 and testifying at hearing, if necessary, and providing assistance with any post-hearing  
17 briefs if needed.

18 **Q. Is the reasonableness of HCC's total fees and expenses paid and incurred associated**  
19 **with this docket address in the testimony?**

20 A. Yes. As shown in Exhibit SDH-2 to my testimony, Mr. Hall addresses the legal fees and  
21 expenses for Adams & Reese, LLP and provides expert testimony regarding the necessity and  
22 reasonableness of HCC's total fees and expenses paid and incurred in this docket.

## **VII. CONCLUSION**

1   **Q.     Does your testimony address every potential issue in the case?**

2   A.     No. My testimony addresses a very limited scope of issues. My silence on other issues in the  
3           case should not be interpreted as my agreement on those issues.

4   **Q.     Does this conclude your testimony?**

5   A     Yes, with the reservation of the right to file an errata should answers to RFIs be received and  
6           based on rebuttal testimony, if necessary.



# STEVEN HUNT

PRINCIPAL, CPA



## CONTACT

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- Orlando FL 32801

## EDUCATION

- Bachelor of Science in Business,  
Major: Accounting, Virginia Tech
- Master of Accounting and  
Information Systems, Virginia Tech

## PROFESSIONAL AFFILIATIONS/ CERTIFICATIONS

- Certified Public Accountant:  
Washington, DC Certificate No.  
CPA901827
- Energy Bar Association
- American Institute of Certified Public  
Accountants

## EXPERTISE

- Technical Accounting
- Rate Design
- Auditing, Accounting & Financial  
Reporting

## PROFILE

Mr. Hunt is the former Chief Accountant and Director of the Division of Audits and Accounting at the Federal Energy Regulatory Commission (FERC) with more than 20 years of experience on FERC matters. As the Chief Accountant, Mr. Hunt was the director of FERC's regulatory accounting, financial reporting, and financial and operational audit programs. During his career at FERC Mr. Hunt provided expert advice on all accounting matters before FERC in rate proceedings, merger applications, requests for declaratory orders, policy statements, rulemakings, accounting guidance orders, pipeline certificate applications, and accounting filings. Mr. Hunt has also actively led FERC audits covering compliance topics associated with: transmission formula rates; merger hold harmless commitments; transmission owner and ISO/RTO OATT; Standards of Conduct; FERC Uniform System of Accounts for electric utilities, centralized service companies, natural gas companies, and oil companies; and Form Nos. 1, 2, 6, 60, 3-Q, and EQR; and electric reliability. Mr. Hunt's experience combines FERC electric and natural gas enforcement, ratemaking concepts and precedent, utility operations, wholesale customer concerns, and financial accounting and income tax matters to identify and resolve macro and micro regulatory issues.

## PROFESSIONAL EXPERIENCE

**GDS Associates, Inc.,** Orlando, FL, August 2020 – Present

### *Principal*

Technical accounting and rate design expert and project manager for electric and natural gas matters in GDS' Rates and Regulatory Division. Leverages his 18 years of FERC experience to help clients identify regulatory compliance issues and strategically navigate the resolution of those issues.

**Federal Energy Regulatory Commission,** Washington, DC, June 2002 – August 2020

### *Chief Accountant & Director, Office of Enforcement - Division of Audits & Accounting.*

FERC's principal audit, accounting, and financial reporting authority for electric, natural gas, and oil regulatory programs, which supported FERC ratemaking and regulatory actions and oversight responsibilities.

### *Deputy Chief Accountant, Office of Enforcement - Division of Audits & Accounting.*

Principal advisor to FERC Chief Accountant communicating advanced audit and accounting strategies and leading the operation, administration, and technical determinations for all audit and accounting projects.

### *Regulatory Accounting Branch Manager, Office of Enforcement - Division of Audits & Accounting.*

Built a collaborative team of nine high-performing accountants organized to provide the Commission with technical accounting expertise on elaborate ratemaking, energy market, and auditing projects. Steered progression of accounting rulemaking projects and boosted internal and external collaborations.

### *Senior Accountant, Office of Enforcement - Division of Audits & Accounting.*

Provided innovative industry guidance for highly complex and unique accounting issues ensuring compliance with FERC rule and policies

## REGULATORY EXPERIENCE

### GDS REGULATORY EXPERIENCE

- Vermont Public Utility Commission.* Case No. 21-0898-TF, Application of Vermont Gas Systems, Inc. for a change in rates and use of the System Expansion and Reliability Fund. GDS worked as expert witnesses on behalf of the Vermont Department of Public Service (Department).



[www.gdsassociates.com](http://www.gdsassociates.com)



# STEVEN HUNT

PRINCIPAL, CPA

## CONTACT

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- gdsassociates.com
- Orlando FL 32801

## REGULATORY EXPERIENCE [continued]

- Mr. Hunt led the provision of expert regulatory services to the Department in the areas of accounting standards and practices for natural gas utilities, standards of prudence and cost recoverability, and FERC approved cost-of-service methodologies including, revenue requirements, taxation, operations and maintenance costs, affiliate transactions, cost allocations, and depreciation. Deliverables provided under Mr. Hunt's leadership included development of discovery questions, initial and surrebuttal written testimony, response to discovery on testimony, oral testimony before the Vermont Public Utility Commission, and technical assistance for initial and reply briefs. (2021)
- **Texas Public Utility Commission.** Docket No. 51445, Application of Southwestern Electric Power Company for Authority to Change Rates. GDS worked on behalf of East Texas Electric Cooperatives, Inc. and Northeast Texas Electric Cooperative, Inc. to review and analyze certain components of the cost-of-service rate filing. Mr. Hunt provided expert testimony, attended the hearing, and stood for cross examination in the case. (2021)
  - **Federal Energy Regulatory Commission.** Docket No. EL22-7-000, Virginia Municipal Electric Association v. Virginia Electric and Power Co. d/b/a Dominion Virginia Power. Mr. Hunt provided expert testimony on the proper accounting for electric utility asset impairments under the FERC financial accounting and reporting regulations in support of the complainant. (2021)
  - **Vermont Public Utility Commission.** Case No. 22-0175-INV, Tariff filing of Green Mountain Power requesting a 2.34% increase in base rates effective on bills rendered on or after October 1, 2022. GDS worked as expert witnesses on behalf of the Vermont Department of Public Service (Department). Mr. Hunt led the provision of expert regulatory services to the Department in the areas of accounting standards and practices for electric distribution utilities, standards of prudence and cost recoverability, and FERC approved cost-of-service methodologies including, revenue requirements, taxation, operations and maintenance costs, affiliate transactions, cost allocations, and depreciation. Deliverables provided under Mr. Hunt's leadership included development of discovery questions, initial and surrebuttal written testimony, response to discovery on testimony, and oral testimony before the Vermont Public Utility Commission. (2022)
  - **Texas Public Utility Commission.** Docket No. 53601, Application of Oncor Electric Delivery Company LLC for Authority to Change Rates. GDS worked on behalf of the Texas Office of Public Utility Counsel to review and analyze the accounting, depreciation, and revenue requirements components of the cost-of-service rate filing. Mr. Hunt prepared discovery, provided expert testimony, stood for cross examination, assisted the analysis of settlements, and assisted the development of attorney briefs in the case. (2023)
  - **Federal Energy Regulatory Commission.** Docket Nos. ER17-405-000, ER17-406-000, and EL23-51, American Electric Power Service Corporation, American Municipal Power, Inc., et al. v. AEP Appalachian Transmission Company Inc., et al. Mr. Hunt provided expert testimony on the implementation of the FERC's accounting and rate requirements for income taxes based on the Stand-Alone income tax policy, as defined in FERC Opinion No. 173. (2023) In addition, the positions taken in Mr. Hunt's testimony were confirmed in the resulting FERC order. (2024)
  - **Texas Public Utility Commission.** Docket No. 54825, Application of CenterPoint Energy Houston Electric, LLC update to the Company's current Rider DCRF to include additional distribution invested capital placed in service through December 31, 2022. GDS worked on behalf of the City of Houston to review and analyze the accounting and



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## REGULATORY EXPERIENCE [continued]

- revenue requirements components of the cost-of-service rate filing. Mr. Hunt prepared discovery and testimony and provided settlement support in the case. (2023)
- **Public Service Commission of Maryland.** Case No. 9695, Application of the Potomac Edison Company for adjustments to its retail rates for the distribution of electric energy. GDS worked on behalf of the Maryland Office of People's Counsel to review and analyze specified components of the cost-of-service rate filing regarding FERC audits. Mr. Hunt prepared discovery, provided initial and surrebuttal expert testimony, responded to discovery on testimony, stood for cross examination, and assisted the development of attorney briefs in the case. (2023)
  - **Vermont Public Utility Commission.** Case No. 23-0561-TF, Tariff filing of Vermont Gas Systems, Inc. requesting an increase in base rates. GDS worked as expert witnesses on behalf of the Vermont Department of Public Service (Department). Mr. Hunt led the provision of expert regulatory services to the Department in the areas of accounting standards and practices for natural gas distribution utilities, standards of prudence and cost recoverability, and FERC approved cost-of-service methodologies including, revenue requirements, taxation, operations and maintenance costs, affiliate transactions, cost allocations, and depreciation. Deliverables provided under Mr. Hunt's leadership included development of discovery questions, initial and surrebuttal written testimony, and response to discovery on testimony. (2023)
  - **Texas Public Utility Commission.** Docket Nos. 55190 and 55525, Applications of Oncor Electric Delivery Company LLC to update the Company Rider DCRF to include additional distribution invested capital placed in service through December 31, 2022, and June 30, 2023, respectively. GDS worked on behalf of the Alliance of Oncor Cities to review and analyze the accounting and revenue requirements components of the cost-of-service rate filing. Mr. Hunt prepared discovery and expert witness testimony and supported the drafting of legal briefs in the case. (2023)
  - **Federal Energy Regulatory Commission.** Docket Nos. ER21-915-001 and EL22-6-001, Entergy Arkansas, LLC, Louisiana Public Service Commission v. Entergy Corporation, Entergy Services, LLC, Entergy Louisiana, LLC, Entergy Arkansas, LLC, Entergy Mississippi, LLC, Entergy New Orleans, LLC, and Entergy Texas, Inc. Mr. Hunt provided expert Answering and Cross-Answering testimony on the proper accounting and rate treatment for nuclear decommissioning related accumulated deferred income taxes ("ADIT"), net operating loss carryforward ("NOLC") ADIT, and net excess ADIT regarding proposed revisions to the Unit Power Sales/Designated Power Purchase Tariff. Mr. Hunt provided expert testimony on the treatment of NOLC ADIT regarding a complaint on the rate base treatment in prior rates on file. (2023)
  - **Texas Public Utility Commission.** Docket No. 54830, Application of CenterPoint Energy Houston Electric, LLC to amend its Temporary Emergency Electric Energy Facilities (TEEF) Rider. GDS worked on behalf of the City of Houston (COH) and Houston Coalition of Cities (HCC) to review and analyze the costs proposed to be included in the TEEF Rider pursuant to Section 39.918 of the Public Utility Regulatory Act and assessment of whether those costs should be included in rates. Mr. Hunt prepared discovery and testimony and provided settlement support in the case. (2023)
  - **Railroad Commission of Texas.** Case No. OS-23-00015513, Statement of Intent Filed by CenterPoint Energy Resources Corp., D/B/A CenterPoint Energy Entex and CenterPoint Energy Texas Gas to Change Rates in the Unincorporated Areas and Municipalities That Have Ceded Original Jurisdiction within the Houston, Texas Cost, Beaumont/East Texas, and South Texas Divisions.





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## REGULATORY EXPERIENCE [continued]

GDS worked on behalf of the City of Houston (COH) to review CERC's proposed revenue requirement for its distribution natural gas rate proceeding, focusing on income tax matters and the treatment of regulatory assets. Mr. Hunt prepared discovery and testimony and provided settlement support in the case. (2024)

- **Texas Public Utility Commission.** Docket No. 55993, Application of CenterPoint Energy Houston Electric, LLC to Amend its Distribution Cost Recovery Factor. GDS worked on behalf of the City of Houston to review CEHE's distribution-related costs included in its proposed revenue requirement for the DCRF Update, including income taxes, property tax adjustments, non-payroll A&G overhead costs, and distribution-related capitalized projects. Mr. Hunt prepared discovery and testimony and provided settlement support in the case. (2024)
- **Texas Public Utility Commission.** Docket No. 55867, Application of LCRA Transmission Services Corporation (LCRA TSC) For Authority To Change Rates. GDS worked on behalf of the Office of Public Utility Counsel ("OPUC") as an expert witness in the proceeding, focusing on accounting and revenue requirement matters. Mr. Hunt prepared discovery and testimony. (2024)
- **Texas Public Utility Commission.** Docket No. 56165, Application of AEP Texas, Inc. For Authority To Change Rates. GDS worked on behalf of the Office of Public Utility Counsel ("OPUC") as an expert witness in the proceeding, focusing on accounting and revenue requirement matters including reviewing rate base, operating expenses, federal income taxes, return on equity, and capital structure. Mr. Hunt prepared discovery and testimony. (2024)
- **Texas Public Utility Commission.** Docket No. 56306, Application of Oncor Electric Delivery Company LLC to Amend Its Distribution Cost Recovery Factor and Update Mobile Generation Riders. GDS worked on behalf of the alliance of Oncor Cities ("AOC") as an expert witness in the proceeding, focusing on accounting and rate of return matters. Mr. Hunt prepared discovery and testimony. (2024)
- **Texas Public Utility Commission.** Docket No. 56211, Application of CenterPoint Energy Houston Electric, LLC (CEHE), for Authority to Change Rates. GDS worked on behalf of the Houston Coalition of Cities ("HCC") as an expert witness in the proceeding, focusing on accounting, income tax matters, and other significant drivers to CEHE's proposed revenue requirement. Mr. Hunt prepared discovery and testimony. The case is ongoing. (2024)

## FERC REGULATORY EXPERIENCE

- Led the development of FERC accounting policies and precedents on numerous topics, including depreciation, utility plant capitalization policies, regulatory assets and liabilities, construction work in progress in rate base, wholesale fuel adjustment clause, vegetation management, asset retirement obligations, and natural gas pipeline accounting matters.
- Directed the development of audit strategies for financial, cost-of-service rate, and operational audits covering wholesale production and transmission formula rates, FERC accounting and financial reporting requirements, Open Access Transmission Tariffs (OATT) by public utilities, OATT administration by RTO/ISOs, Standards of Conduct, and Open Access Same-Time Information System reporting.
- Issued four Accounting Guidance Letter Orders as Chief Accountant.
- Provided oversight to FERC ratemaking and accounting orders supporting the Tax Cuts and Jobs Act of 2017.



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- Expert knowledge of FERC and Chief Accountant decisions on AFUDC, including modifications to Accounting Release AR-5.
- Expert knowledge of FERC orders establishing transmission incentive under section 219 of the Federal Power Act (FPA) and subsequent orders modifying its incentive policy.
- Expert knowledge of FPA section 203 orders and the application of its merger policies with respect to hold harmless commitments.

## REGULATORY EXPERIENCE [continued]

- Expert knowledge of FERC Order No. 784 establishing accounting and financial reporting for energy storage assets.
- Expert knowledge and co-author of FERC accounting, financial reporting, and cost allocation requirements for centralized service companies.
- Provided senior leadership to FERC income tax allowance ratemaking and accounting policies.
- Advisor in the FERC Office of Enforcement on certain enforcement actions.

For a more comprehensive listing of FERC accounting and rate orders and audit reports Mr. Hunt participated in materially, see the Tables provided on the following pages.

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## ACCOUNTING & RATE ORDERS

<i>Docket No.</i>	<i>Description</i>	<i>Year</i>	<i>Signature or Personal Reference<sup>1</sup></i>
AI05-1-000	Order on Accounting for Pipeline Assessment Costs	2005	No
AC-6-1-000	Capitalization of Mitigation Payments and Contributions Related to Pipeline Construction Projects	2006	No
AC06-18-000	Accounting for Hydrostatic Spike Testing	2006	No
AI11-1-000	Revision to Accounting Release No. 5, Capitalization of Allowance for Funds Used During Construction	2011	No
AI18-1-000	Accounting and Financial Reporting for Pensions and Post-retirement Benefits other than Pensions	2017	No
AI19-1-000	Accounting and Financial Reporting for Leases	2018	Yes
RM18-11-000	Interstate and Intrastate Natural Gas Pipelines; Rate Changes Relating to Federal Income Tax Rate	2018	No
PL17-1-000	Policy for Recovery of Income Taxes for MLPs	2018	No
PL19-2-000	Policy Statement on Accounting and Ratemaking Treatment of Accumulated Deferred Income Taxes and Treatment Following the Sale or Retirement of an Asset	2018	No
AI20-1-000	Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract	2019	Yes
AI20-2-000	Accounting for Cumulative-Effect Adjustments to Retained Earnings Related to the Implementation of FASB's Accounting Standard on Credit Losses	2019	Yes
AI20-3-000	Accounting for Pipeline Testing Costs Incurred to Comply with New Federal Safety Standards	2020	Yes
AC20-127-000	AFUDC Accounting 12-Month Waiver – COVID-19	2020	No

<sup>1</sup> Signature or Personal Reference, response "Yes", means that the FERC order was either issued under Mr. Hunt's delegated authority as Chief Accountant or his name is mentioned in the order as the point of contact. For these public orders, Mr. Hunt could be viewed as having established technical positions on the accounting topics discussed therein. Where the response is "No", Mr. Hunt was either the lead accounting analyst (pre-2010) or materially involved as a reviewing official on an order that was issued by the FERC commissioners or the prior Chief Accountant (post-2010).



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## DIRECTED AUDITS

<i>Docket No.</i>	<i>Description</i>	<i>Year</i>	<i>Signature or Personal Reference</i>
FA14-10-000	Kinder Morgan Financial Audit of El Paso Merger	2015	Yes
FA15-10-000	Entergy Gulf States Louisiana Audit	2018	Yes
FA15-11-000	Entergy Arkansas Audit	2018	Yes
FA16-1-000	American Transmission Company Audit	2018	Yes
PA16-2-000	Northern Natural Gas Company Audit	2019	Yes
PA16-4-000	Trunkline Gas Company Audit	2018	Yes
FA16-2-000	National Grid USA Audit	2019	Yes
FA16-3-000	Black Hills Power Audit	2018	Yes
FA16-5-000	Explorer Pipeline Audit	2018	Yes
FA16-6-000	Plains Pipeline Audit	2018	Yes
FA16-7-000	Marathon Pipeline Audit	2018	Yes
FA17-2-000	Ohio Power Company Audit	2019	Yes
FA17-4-000	Xcel Energy Audit	2019	Yes
FA17-5-000	Northern States Power	2019	Yes
FA17-6-000	Equitrans Audit	2018	Yes
PA18-2-000	Avista Corporation	2019	Yes
PA18-3-000	Exelon Corporation Audit	2019	Yes
FA18-1-000	ONEOK NGL Pipeline Audit	2020	Yes
FA18-2-000	Transcontinental Gas Pipe Line Audit	2019	Yes
FA18-3-000	Cleco Power Audit	2019	Yes
FA19-6-000	National Fuel Gas Audit	2020	Yes
FA19-7-000	Michigan Electric Transmission Audit	2020	Yes

**SOAH DOCKET NO. 473-25-11558  
PUC DOCKET NO. 57579**

<b>APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC FOR APPROVAL OF ITS 2026-2028 TRANSMISSION AND DISTRIBUTION SYSTEM RESILIENCY PLAN</b>	§ § § § §	<b>BEFORE THE STATE OFFICE  OF  ADMINISTRATIVE HEARINGS</b>
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**Affidavit of Alton J. Hall, Jr.  
In Support of Houston Coalition of Cities' Rate Case Expenses**

STATE OF TEXAS           §

COUNTY OF HARRIS       §

Before me, the undersigned authority on this day personally appeared Alton J. Hall, Jr., who being by me first duly sworn, on oath deposed and said the following:

1. My name is Alton J. Hall, Jr. I am Special Counsel with the law firm of Adams and Reese LLP ("Adams and Reese") and lead counsel for the Houston Coalition of Cities ("HCC") in Application of CenterPoint Energy Houston Electric, LLC for Approval of its 2026-2028 Transmission and Distribution System Resiliency Plan in Docket No. 57579.

2. I provide this affidavit with the actual to-date legal, consulting, and professional expenses of HCC in Docket No. 57579.

3. I received my J.D. and my Texas State Bar license in 1984. I have represented numerous ratepayer interests before the Public Utility Commission ("PUC") since 1986. Moreover, I have represented HCC and other municipalities/municipality groups in proceedings before the PUC since 1990.

4. I am personally familiar with the services performed by Adams and Reese on behalf of HCC in connection with Docket No. 57579. I am also personally familiar with the consulting

services of GDS Associates, Inc. ("GDS") on behalf of HCC. I am over the age of 18 years and am qualified to make this Affidavit. The statements in this Affidavit are true and correct.

5. I have reviewed the billings of Adams and Reese and GDS for legal services and consulting services performed in Docket No. 57579. These billings accurately reflect the time spent and expenditures incurred by Adams and Reese on behalf of HCC. These billings were accurately calculated before they were tendered, and there was no double billing. None of these charges billed to HCC have been recovered through reimbursement for other expenses. The expenses charged were associated with the review of CenterPoint Energy Houston Electric, LLC's Transmission and Distribution Resiliency Plan in Docket No. 57579 and were reasonable and necessary to represent the interests of HCC in this matter.

6. For the period of January 31, 2025, through February 28, 2025, HCC has incurred \$40,110.00 from Adam and Reese for legal fees and expenses. In addition, HCC has incurred \$27,006.25 from GDS Associates ("GDS") for consulting services. Additional services were performed by Adams and Reese and GDS during the month of March 2025; however, invoices for those services have not been finalized as of the date of this Affidavit.

7. The total fees and expenses incurred by HCC during the period of January 31, 2025, through February 28, 2025, is \$67,116.25. The fees and expenses incurred were necessary to accomplish the following: (1) review and analyze Applicant's filing; (2) advise HCC on CenterPoint's proposed plan; (3) prepare pleadings and motions; (4) identify issues in filings; (5) attend prehearing conference; (6) numerous telephone conferences with other parties and consultants; (7) consultation with attorneys and consultants; (8) draft and submit discovery requests and review responses to same; (9) review and analyze pertinent legal authorities; and (10) confer and provide status updates to municipal clients.

8. The consulting services performed for HCC were conducted by Michael Ivey, Kevin Mara, and Steven Hunt with GDS.

9. Testimony in this case was submitted by Steven Hunt, Kevin Mara, Michael Ivey. They have testified before state public utility commissions on numerous occasions. Steven Hunt's, Kevin Mara's, and Michael's Ivey's hourly rate in Docket No. 57579 is \$250/hr. GDS's staff charges \$185-\$235/hr. These are the same or similar hourly rates charged for other clients for comparable services during the same time period.

10. The legal services performed by Adams and Reese on behalf of HCC are managed and supervised by me. The services rendered through the date of this affidavit included those items set forth in Paragraph 7 above. The hours spent by Adams and Reese for work assigned to us in the proceeding were reasonable and necessary to complete those tasks in a professional manner and on a timely basis. I used my knowledge and experience in these matters before the PUC and SOAH to assure the work being done and the expenses incurred were reasonable.

11. The case involved, and continues to involve, a substantial number of novel and complex legal and technical issues. This is the second case by CenterPoint under 15 Texas Administrative Code (TAC) 25.62, relating to Transmission and Distribution Resiliency Plans and the first of this magnitude. The first such proceeding was withdrawn prior to hearing. Therefore, we do not have the benefit of the Commission's views on the issues in this filing.

12. The hourly rates charged HCC for attorneys by Adams and Reese range from \$250/hr to \$450/hr. These rates represent a significant discount from the standard rate charges for these same lawyers to other clients for similar work. My standard rate, for example, is \$725/hr. The rate charged to HCC for my services in this matter is \$450/hr. As stated above, I have been practicing for over 40 years and appearing before Texas regulatory commissions for over 38 years.

13. I am personally familiar with the rates charged by attorneys in Harris County, Texas, for complex litigation and regulatory matters such as this case. The rate charged to HCC for my services of \$450/hr is on the very low end of the market for attorneys with my level of experience.

14. Similarly, the rates for other attorneys and paralegals in my firm representing HCC are on the low end for their experience levels and expertise on these types of matters. For example, the associate attorney, Anam Fazli and the paralegal, Marni Blythe, working on this case are being billed at a rate of \$250/hr and \$150/hr, respectively, both of which are on the low end of the market.

15. The actual invoices submitted to HCC by Adams and Reese and GDS for services and expenses from January 31, 2025, to February 28, 2025, are attached hereto as part of Exhibit SDH-2.1.

16. The actual invoices include a description of services performed and time expended on a daily basis. All expenses are supported by backup documentation. The documentation in this case is similar to that provided in many previous rate cases at the PUC and SOAH.

17. Pursuant to Tex. Admin. Code 7.5530, Adams and Reese and GDS recorded time spent on this matter by issue category to the extent possible. Time entries on the attached invoices indicate the issue and subject matter of each entry, to the extent possible.

18. The issues addressed by HCC have a reasonable basis in law, policy, and/or fact. HCC's counsel reviewed the relevant law and PUC rules and applicable PUC and SOAH precedent to ensure that the issues raised by HCC in this case were reasonably grounded and relevant in this matter.

19. The expenses incurred by Adams and Reese and GDS, comply with Tex. Admin. Code 7.5530. Neither Adams and Reese nor our consultants charged for luxury items, including first-class airfare, limousine services, entertainment or alcoholic beverages. No costs for meals

sought to be recovered were charged in excess of \$25.00/person, and no individual billed for more than 12 hours in a single day.

20. The total amount requested for rate cases expenses through February 28, 2025, the total amount of \$67,116.25 for Docket No. 57579 is reasonable and necessary, in light of all the factors discussed above and, therefore, in compliance with Tex. Admin. Code 7.5530. These fees and expenses are in proportion to the nature and scope of the case at issue.

21. We will supplement the rate case expenses for the month of March, and all further months, as soon as the information is available. I estimate the fees, cost, and expenses that will be incurred by Adams and Reese from March 1, 2025, through the end of the proceeding (including any appeals of the Commission's final order) will be approximately \$185,000.00. The approximate fees incurred will be under the same rates as the rate case expenses incurred by Adams and Reese through February 28, 2025.

22. GDS estimates that its respective fees, costs, and expenses that will be incurred from March 1, 2025, through the end of this proceeding will be approximately \$75,000. The approximate fees incurred will be under the same rates as the rate case expenses incurred by GDS through February 28, 2025.

23. The total approximate rate case expenses estimated from March 1, 2025, through the end of the proceeding for Adams and Reese and GDS is \$260,000.00.

24. These approximate fees, costs, and expenses include the following services: (1) preparation, review, and revision of direct testimony; (2) preparation for and attendance in settlement conferences; (3) review and analysis of Intervenor's and Staff's testimony; (4) review and response to discovery requests; (5) review rebuttal testimony; (6) preparation for and participation in depositions; (7) preparation for and attendance at prehearing conferences; (8)

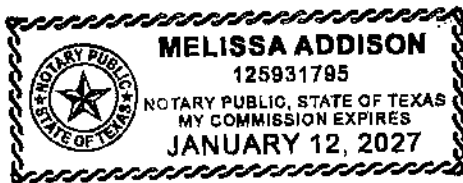


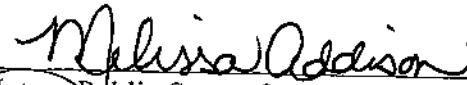
prepare, review, and revise pre-trial brief; (9) prepare all exhibits for final hearing; (10) preparation for final hearing; (11) attendance at participation at final hearing; (12) review and revise settlement documents; (13) attend SOAH mediation; (14) preparation and finalization of post-hearing breis; (15) preparation and finalization of post-hearing reply briefs; (16) review and analysis of Proposal for Decision; (17) preparation of exceptions and replies to exceptions; (18) attendance at open meetings and conferences; (19) preparation of motion for rehearing and replies to motions for rehearing; (20) preparation of supplemental and amended affidavits on fees; (21) preparation for and attendance at technical conferences; and (22) confer and provide status updates to municipal clients.

Further affiant sayeth not.

  
Alton J. Hall, Jr.

8th SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority on this, the  
8 day of April 2025.



  
Notary Public State of Texas



City of Houston, TX  
900 Bagby, 4th Floor  
Houston, TX 77002

Invoice Date: April 07, 2025  
Invoice Num.: 1334145  
Matter Number: [REDACTED]  
Billing Atty. Name: Alton Hall, Jr.

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Matter: DN 57579 - 2025 CEHE System Resiliency Plan

For professional services rendered through March 31, 2025

Currency: USD

Fees 40,110.00

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**Total Amount Due \$40,110.00**

#### REMITTANCE ADVICE

ACH/EFT:

Domestic Wire:

International Wire:

Check:

Credit Card:

Reference:

Please include matter/invoice number when sending payment

For questions regarding your invoice, please contact [REDACTED]

For questions regarding outstanding balances, please contact [REDACTED]

Matter Name: DN 57579 - 2025 CEHE System  
Resiliency Plan  
Billing Atty. Name: Alton Hall, Jr.

Invoice Date: April 07, 2025  
Invoice Num.: 1334145  
Matter Number: [REDACTED]

#### Time Detail

<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Hours</u>
01/29/25	A. Hall, Jr.	[REDACTED]	2.10
01/31/25	A. Hall, Jr.	Review SRP filing and supporting testimony	3.40
02/01/25	A. Fazli	Review CenterPoint's application and testimony.	3.50
02/03/25	M. Blythe	[REDACTED] [REDACTED] Review and analyze CEHE Resiliency Plan docket. [REDACTED] Begin detailed review, analysis and processing of CEHE's Application by direct testimony witnesses, supporting exhibits and workpapers. [REDACTED] [REDACTED]	3.90
02/03/25	A. Fazli	[REDACTED]	0.50
02/03/25	A. Fazli	Continue reviewing CenterPoint's application and witness testimony.	1.80
02/03/25	A. Hall, Jr.	[REDACTED]	3.40
02/04/25	M. Blythe	[REDACTED] Receive and edit to Houston Coalition of Cities' Motion to Intervene and Protective Order Certifications. E-file HCC's Motion to Intervene and Protective Order Certifications with PUCTX. Email communications with CenterPoint Energy's counsel and representatives regarding HCC's filings. Receive and analyze SOAH's Order 1 regarding ALJ appointment and deadlines. Calendar response times. [REDACTED] [REDACTED] of CEHE direct testimony witnesses and exhibits. [REDACTED] [REDACTED]	3.70
02/04/25	A. Fazli	Review SOAH Order No.1.	0.30
02/04/25	A. Fazli	Draft motion to intervene.	0.50
02/04/25	A. Hall, Jr.	Continue review of testimony regarding various programs under SRP	2.90
02/05/25	M. Blythe	Review and analyze IBEW'S Motion to Intervene, GCCC's Motion to Intervene, TIEC's Motion to Intervene and OPUC's	2.40

Matter Name: DN 57579 - 2025 CEHE System  
Resiliency Plan  
Billing Atty. Name: Alton Hall, Jr.

Invoice Date: April 07, 2025  
Invoice Num.: 1334145  
Matter Number: 024680-000040

<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Hours</u>
		Motion to Intervene. [REDACTED] [REDACTED] Review and analyze Staff Commission's Order of Referral and Preliminary Order. [REDACTED] [REDACTED]	
02/05/25	A. Fazli	[REDACTED]	1.00
02/05/25	A. Fazli	[REDACTED]	1.00
02/05/25	A. Hall, Jr.	[REDACTED]	3.40
02/06/25	A. Hall, Jr.	[REDACTED]	2.90
02/07/25	A. Hall, Jr.	[REDACTED]	3.30
02/10/25	A. Fazli	[REDACTED]	0.50
02/10/25	A. Hall, Jr.	[REDACTED]	2.90
02/11/25	A. Fazli	Review TCUC's first set of RFIs.	1.00
02/11/25	A. Fazli	Review Commission Staff's first set of RFIs.	1.20
02/11/25	A. Hall, Jr.	[REDACTED]	2.40
02/12/25	M. Blythe	[REDACTED]	0.90
02/12/25	A. Fazli	Review CenterPoint's proposed procedural schedule.	0.50
02/12/25	A. Hall, Jr.	[REDACTED]	2.60
02/13/25	A. Fazli	Review and draft HCC's first set of RFIs to CEHE.	2.50
02/13/25	A. Hall, Jr.	[REDACTED] review CEHE's proposed procedural schedule	3.10
02/14/25	M. Blythe	Work on edits to HCC's First Set of Request for Documents and Requests for Information to CEHE. [REDACTED] [REDACTED] Email communications with all counsel regarding HCC's first set of discovery to CEHE.	0.70
02/14/25	A. Hall, Jr.	[REDACTED] review discovery; [REDACTED]	3.20
02/17/25	M. Blythe	[REDACTED]	2.70

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<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Hours</u>
		[REDACTED]	
		Receipt and review of Protective Order Certifications from Kevin Mara with GDS. Edit Protective Order Certification for filing with PUCTX. Email communications with all counsel regarding COH's Protective Order Certifications. [REDACTED]	
		[REDACTED]	
		Communications with all counsel regarding discovery documents and issues. [REDACTED]	
		[REDACTED]	
02/17/25	A. Fazli	[REDACTED]	0.50
02/17/25	A. Hall, Jr.	Review pole replacement proposal; continue review of proposed procedural schedule.	2.30
02/18/25	A. Fazli	Attend pre-hearing conference.	0.40
02/18/25	A. Fazli	Review additional list of issues.	1.00
02/18/25	A. Fazli	[REDACTED]	0.30
02/18/25	A. Fazli	Review CenterPoint's question regarding RFI 1-9 and answer accordingly.	0.30
02/18/25	A. Hall, Jr.	Prepare for and attend Prehearing Conference; conference with CEHE regarding procedural schedule; [REDACTED]	3.20
02/19/25	A. Fazli	Draft and review HCC's second set of RFIs to CEHE.	2.60
02/19/25	A. Hall, Jr.	[REDACTED] review other discovery	3.20
02/20/25	A. Fazli	Review additional procedural schedules proposed by CenterPoint.	0.50
02/20/25	A. Hall, Jr.	[REDACTED] review discovery	2.30
02/21/25	A. Fazli	Continue reviewing CenterPoint's application and witness testimony.	2.40
02/21/25	A. Hall, Jr.	[REDACTED] review procedural schedule	2.70
02/24/25	A. Fazli	[REDACTED]	0.30
02/24/25	A. Fazli	Review TIEC's first RFIs to CNP.	1.00
02/24/25	A. Hall, Jr.	[REDACTED] review additional discovery	3.00
02/25/25	A. Fazli	Review ERCOT's first RFIs to CNP.	1.00
02/25/25	A. Fazli	Review agreed procedural schedule.	0.30
02/25/25	A. Fazli	Draft and review third set of HCC's RFPs and RFIs to serve on CenterPoint.	2.40

Invoice Date: April 07, 2025  
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## Timekeeper Summary

- Page 5 -

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Resiliency Plan  
Billing Atty. Name: Alton Hall, Jr.

Invoice Date: April 07, 2025  
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<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
A. Hall, Jr.	59.90	450.00	26,955.00
M. Blythe	21.70	150.00	3,255.00
<b>Total</b>	<b>121.20</b>		<b>\$40,110.00</b>





REMITTANCE COPY

DN 57579 - 2025 CEHE System Resiliency Plan

<u>Invoice Date</u>	<u>Invoice Number</u>	<u>Balance Due</u>
<u>Current Invoice</u>		
04/07/25	1334145	\$40,110.00
Balance Due		<u>\$40,110.00</u>





1850 Parkway Place  
Suite 800  
Marietta, Georgia 30067

# INVOICE

770.425.8100  
Fax 866.611.3791  
Fed. EIN 58-1659843

CITY OF HOUSTON  
AMIN & REGULATORY AFFAIRS  
611 WALKER 13TH FLOOR  
Houston, TX 77002  
  
ALTON HALL

INVOICE NO : 0237937  
DATE : Mar 18, 2025  
CLIENT CODE : 0044304  
PROJECT NO : 0033

DKT 57579-2026-2028 RESILIENCY  
PLAN - CENTERPOINT HOUSTON  
PROFESSIONAL SERVICES RENDERED 02/01/25 - 02/28/25

Services rendered during February 2025 supported the initial review, detailed analysis of CEHE's Resiliency Plan filing, development of issues, detailed research, drafting discovery, and project team meetings.

		Hours	Rate	Amount
2/3/25	Michael Ivey Review application	6.00	250.00	1,500.00
2/3/25	Michael Ivey Coordination meeting	0.50	250.00	125.00
2/3/25	MariaElena Eick Weekly meeting with A&R, COH, and GDS to discuss case updates. Discuss with GDS team. Discuss ShareFiles, protective orders, and distribution list questions with Marni Blythe.	1.00	225.00	225.00
2/4/25	Michael Ivey Application review and discovery prep	5.00	250.00	1,250.00
2/4/25	MariaElena Eick Send GDS protective orders to Marni Blythe.	0.50	225.00	112.50
2/5/25	Michael Ivey Application review and discovery prep	3.00	250.00	750.00
2/5/25	Michael Ivey Coordination meeting	0.50	250.00	125.00
2/5/25	Michael Ivey Application review and issues	4.00	250.00	1,000.00
2/5/25	MariaElena Eick Attend meeting with A&R, COH, and GDS to discuss case updates. Discuss with GDS team. Work on RFIs.	1.00	225.00	225.00
2/6/25	Michael Ivey Application review and discovery prep	5.00	250.00	1,250.00
2/6/25	MariaElena Eick Review application, pleadings, and orders. Review witnesses and issues. Discuss update with GDS team.	3.75	225.00	843.75





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		Hours	Rate	Amount
2/7/25	Michael Ivey Application review and discovery prep	4.00	250.00	1,000.00
2/10/25	Michael Ivey Coordination meeting	0.25	250.00	62.50
2/10/25	Michael Ivey Application review and discovery preparation	4.00	250.00	1,000.00
2/10/25	MariaElena Eick Weekly meeting with A&R, COH, and GDS to discuss case updates. Discuss with GDS team.	0.25	225.00	56.25
2/10/25	Steven Hunt Team meeting and analysis of proceeding	1.00	250.00	250.00
2/12/25	Michael Ivey Application review and discovery preparation	4.00	250.00	1,000.00
2/12/25	Steven Hunt Review of application and identification of issues	0.75	250.00	187.50
2/13/25	Steven Hunt Review of application and identification of issues	3.25	250.00	812.50
2/14/25	MariaElena Eick Send protective order and case updates to Kevin Mara.	0.50	225.00	112.50
2/14/25	Steven Hunt Review of application and identification of issues. Drafting discovery.	2.25	250.00	562.50
2/17/25	Kevin J. Mara Work on issues list	2.50	250.00	625.00
2/17/25	Kevin J. Mara Meeting with Alton	1.00	250.00	250.00
2/17/25	Michael Ivey Coordination meeting	0.50	250.00	125.00
2/17/25	Michael Ivey Application review, discovery and issues development	4.00	250.00	1,000.00
2/17/25	MariaElena Eick Weekly meeting with A&R, COH, and GDS to discuss case updates. Discuss with GDS team. Discuss with Kevin Mara and send protective order to Marni Blythe. Discuss case filings with Kevin Mara.	1.25	225.00	281.25





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		Hours	Rate	Amount
2/17/25	Steven Hunt Project team meeting. Supporting discovery. Submission of discovery.	1.25	250.00	312.50
2/20/25	Kevin J. Mara Data questions for Centerpoint	2.00	250.00	500.00
2/20/25	Michael Ivey Application review, discovery and issues development	4.00	250.00	1,000.00
2/21/25	Kevin J. Mara Data questions for Centerpoint	2.50	250.00	625.00
2/21/25	Linda M. Gray Support Kevin for project analysis.	0.25	225.00	56.25
2/21/25	Michael Ivey Application review, discovery and issues development	6.00	250.00	1,500.00
2/21/25	MariaElena Eick Review pleadings and TCUC and Staff discovery by issue. Discuss with GDS team.	3.25	225.00	731.25
2/22/25	Kevin J. Mara Develop data requests	3.00	250.00	750.00
2/24/25	Kevin J. Mara Work on data requests and issues	2.00	250.00	500.00
2/24/25	Michael Ivey Application review, discovery and issues development	6.00	250.00	1,500.00
2/24/25	Michael Ivey Coordination meeting	0.25	250.00	62.50
2/24/25	MariaElena Eick Weekly meeting with A&R, COH, and GDS to discuss case updates. Review pleadings and filings. Discuss with GDS team. Discuss with GDS team. [REDACTED]	2.25	225.00	506.25
2/24/25	Steven Hunt Weekly team meeting	0.25	250.00	62.50
2/25/25	Kevin J. Mara Work on data requests and issues	2.00	250.00	500.00
2/25/25	Linda M. Gray Support Kevin for project analysis.	0.50	225.00	112.50





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		Hours	Rate	Amount
2/25/25	Michael Ivey Application review, discovery and issues development	5.50	250.00	1,375.00
2/25/25	MariaElena Eick Discuss with Michael Ivey and send data request to Marni Blythe re: Coastal Resiliency Upgrades Resiliency Measures.	0.50	225.00	112.50
2/26/25	MariaElena Eick Respond to Michael Ivey's data request to Marni Blythe re: Coastal Resiliency Upgrades Resiliency Measures.	0.50	225.00	112.50
2/27/25	MariaElena Eick Review pleadings, filings, orders, and discovery by issue. Discuss with GDS team.	1.50	225.00	337.50
2/27/25	Steven Hunt Analysis of resiliency proceeding. Discovery request and identification of issues.	2.00	250.00	500.00
2/28/25	Michael Ivey Discovery request preparation	2.00	250.00	500.00
2/28/25	MariaElena Eick Review pleadings, filings, orders, and discovery by issue. Discuss with GDS team.	1.25	225.00	281.25
2/28/25	MariaElena Eick Review pleadings and orders. Discuss with GDS team.	1.50	225.00	337.50

**TOTAL FEES:** 27,006.25

**TOTAL AMOUNT DUE:** 27,006.25

PAYMENT DUE WITHIN 30 DAYS OF RECEIPT  
PLEASE MAKE CHECKS PAYABLE TO GDS ASSOCIATES, INC.

