



Filing Receipt

Filing Date - 2025-04-24 02:33:30 PM

Control Number - 57579

Item Number - 199

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

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

**TEXAS COAST UTILITIES COALITION’S RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC’S SECOND REQUEST
FOR INFORMATION TO THE TEXAS COAST UTILITIES COALITION**

Texas Coast Utilities Coalition (“TCUC”) hereby file their responses to CenterPoint Energy Houston Electric, LLC’s (“CenterPoint Houston” or “the Company”) Second Set of Requests for Information (“RFIs”) to TCUC.

I. Written Responses.

TCUC’s written responses to Company’s Second Set of RFIs are attached and incorporated by reference. Each response is stated on or attached to a separate page on which the request has been restated. TCUC’s responses are made in the spirit of cooperation without waiving TCUC’s right to contest the admissibility of any of these matters at hearing. Pursuant to 16 Tex. Admin. Code § 22.144(c)(2)(A), each response lists the preparer or person under whose direct supervision the response was prepared and any sponsoring witness. When TCUC provides certain information sought by the request while objecting to the provision of information, they do so without prejudice to their objection in the interests of narrowing discovery disputes pursuant to 16 Tex. Admin. Code § 22.144(d)(5). Pursuant to 16 Tex. Admin. Code § 22.144(c)(2)(F), TCUC stipulates that their responses may be treated by all parties as if they were made under oath.

II. Inspections.

If responsive documents are more than 100 pages but less than eight linear feet in length, the response will indicate that the attachment is VOLUMINOUS and, pursuant to 16 Tex. Admin. Code § 22.144(h)(2), the attachment will be made available for inspection at the offices of Herrera Law & Associates, PLLC, 4400 Medical Parkway, Austin, Texas, 78756. If a response or the responsive documents are provided pursuant to the protective order in this docket, the response will indicate that it or the attachment is either CONFIDENTIAL or HIGHLY SENSITIVE as appropriate under the protective order. Highly sensitive responses will be made available for

inspection at the offices of Herrera Law & Associates, PLLC, 4400 Medical Parkway, Austin, Texas, 78756, unless they form a part of a response that exceeds eight linear feet in length; then they will be available at their usual repository in accordance with the following paragraph. Please call in advance for an appointment to ensure that there is sufficient space to accommodate your inspection.

If responsive documents exceed eight linear feet in length, the response will indicate that the attachment is subject to the FREIGHT CAR DOCTRINE, and, pursuant to 16 Tex. Admin. Code § 22.144(h)(3), the attachment will be available for inspection at the offices of Herrera Law & Associates, PLLC, 4400 Medical Parkway, Austin, Texas, 78756, unless otherwise indicated. TCUC requests that parties wishing to inspect this material provide at least 48 hours' notice of their intent by contacting the offices of Herrera Law & Associates, PLLC, 4400 Medical Parkway, Austin, Texas, 78756; telephone number (512) 474-1492; fax number (512) 474-2507. Inspections will be scheduled to accommodate all requests with as little inconvenience to the requesting party and TCUC's operations as possible.

Respectfully submitted,

HERRERA LAW & ASSOCIATES, PLLC

P.O. Box 302799
Austin, Texas 78703
4400 Medical Parkway
Austin, Texas 78756
(512) 474-1492 (voice)
(512) 474-2507 (fax)

By: /s/ Alfred R. Herrera

Alfred R. Herrera
State Bar No. 09529600
aherrera@herreralawpllc.com

Sergio E. Herrera
State Bar No. 24109999
sherrera@herreralawpllc.com
service@herreralawpllc.com

**ATTORNEYS FOR TEXAS COAST
UTILITIES COALITION**

CERTIFICATE OF SERVICE

I certify that I have served a copy of *TCUC's Responses to CenterPoint Energy Houston Electric, LLC's Second Set of Requests for Information to Texas Coast Utilities Coalition* upon all known parties of record by electronic mail in accordance with the Order Suspending Rules, issued in Project No. 50664 on this the 24th day of April 2025.

/s/ *Mariann Wood*

Mariann Wood

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

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

**TEXAS COAST UTILITIES COALITION’S RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC’S SECOND REQUEST
FOR INFORMATION TO THE TEXAS COAST UTILITIES COALITION**

CEHE TCUC 2-1: Please identify and describe any formal economic training that Mr. Norwood has received. If he does, please provide the academic institution and date where the formal economic training was received.

RESPONSE: Mr. Norwood took courses on macro and microeconomics and engineering economics as part of the curriculum of his electrical engineering degree program at the University of Texas at Austin.

PREPARED BY: Scott Norwood
SPONSORED BY: Scott Norwood

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

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

**TEXAS COAST UTILITIES COALITION'S RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S SECOND REQUEST
FOR INFORMATION TO THE TEXAS COAST UTILITIES COALITION**

CEHE TCUC 2-2: Please refer to Page 10, lines 6-8 of the Direct Testimony of Scott Norwood ("Norwood Direct").

- (a) Please identify each proceeding in which Mr. Norwood has requested unprotected access to a cost-benefit analysis ("CBA") model.
- (b) For each proceeding identified in subpart (a), please state whether Mr. Norwood received unprotected access to the CBA model.
- (c) For each proceeding identified in subpart (b), please state whether Mr. Norwood detected any problematic responses to his adjustments of model input assumptions. If so, please describe the identified modelling issue.
- (d) Please list each model input assumption to the Guidehouse CBA model that Mr. Norwood would have adjusted in order to verify its reasonableness. For each listed assumption, please state the exact proposed adjustment(s) and provide a detailed description of the expected results.

RESPONSE:

- (a) Mr. Norwood has not retained records of each proceeding in which he has requested unprotected access to cost-benefit models, but it is a common practice for intervenors to request and for utilities to provide such unprotected models through discovery in regulatory proceedings that involve utility requests for approval of major investments.
- (b) See response to subpart a.
- (c) See response to subpart a.
- (d) Mr. Norwood has not evaluated which specific assumptions he would have adjusted to verify the reasonableness of Guidehouse's CBA of CEHE's proposed SRP measures because CEHE did not provide a fully unprotected version of the model that would allow such adjustments to be made. See Confidential Attachment SN-6 of Mr. Norwood's direct testimony for a summary of the major input assumptions for Guidehouse's CBA model.

PREPARED BY: Scott Norwood
SPONSORED BY: Scott Norwood

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

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

**TEXAS COAST UTILITIES COALITION'S RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S SECOND REQUEST
FOR INFORMATION TO THE TEXAS COAST UTILITIES COALITION**

CEHE TCUC 2-3: Please refer to the direct testimony of Mr. Norwood at Page 3, Line 23-Page 4, Line 1, at which Mr. Norwood states that the \$35,000 value of lost load (VOLL) was "prepared for ERCOT to be used in transmission planning studies."

- (a) Is it Mr. Norwood's position that transmission planning studies are the only purpose for which the \$35,000 VOLL should be used in ERCOT?
- (b) If your answer to subpart (a) is anything other than an unqualified yes, please describe the other purposes for which Mr. Norwood believes the \$35,000 per megawatt-hour VOLL may properly be used.

RESPONSE:

- (a) Mr. Norwood has not evaluated or addressed the issue of whether there may be purposes for which it may be proper to use the \$35,000 VOLL estimate for ERCOT transmission planning studies or otherwise.
- (b) See response to subpart a.

PREPARED BY: Scott Norwood
SPONSORED BY: Scott Norwood

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

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

**TEXAS COAST UTILITIES COALITION'S RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S SECOND REQUEST
FOR INFORMATION TO THE TEXAS COAST UTILITIES COALITION**

CEHE TCUC 2-4: Please refer to Norwood Direct Page 13, Lines 20-22. Please provide the basis for Mr. Norwood's claim that the "use of VOLL to justify major utility investments is likely to result in unjustified electric cost increases to CEHE's customers."

RESPONSE: The cited passage of Mr. Norwood's testimony is based on his experience as a regulatory consultant in many past proceedings involving cost/benefit analyses of major utility investments. In virtually all cases, the cost effectiveness of regulated investments is evaluated in terms of the present value of electric revenue requirements over the life of investments when compared to other available alternatives, with due consideration of uncertainty in key forecast variables and their attendant impacts on cost and benefit projections. For example, in this case, CEHE's forecasts of customer outage times and outage restoration costs associated with severe weather events depend on assumptions regarding the frequency, location, duration, and intensity of such weather events, which are difficult to predict with accuracy. The Guidehouse cost/benefit analysis for CEHE's proposed SRP compounds this inherent uncertainty regarding extreme weather event impacts by including highly speculative customer non-electric avoided cost estimates (i.e., VOLL), as if they were direct measurable economic benefits to customers resulting from CEHE's proposed SRP. This improper usage of VOLL as electric cost savings unreasonably inflates projected benefits of the proposed SRP to CEHE's electric customers and thereby serves to justify investments that otherwise are not beneficial or recoverable through electric rates. This is the basis for Mr. Norwood's testimony that Guidehouse's use of VOLL to justify CEHE's proposed \$5.5 billion investment in SRP measures, would likely result in unjustified electric cost increases to CEHE's customers.

PREPARED BY: Scott Norwood
SPONSORED BY: Scott Norwood

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

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

**TEXAS COAST UTILITIES COALITION'S RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S SECOND REQUEST
FOR INFORMATION TO THE TEXAS COAST UTILITIES COALITION**

CEHE TCUC 2-5: Admit that Mr. Norwood (a) holds a degree in electrical engineering and (b) holds no degrees in economics.

RESPONSE: Admit.

PREPARED BY: Scott Norwood
SPONSORED BY: Scott Norwood

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

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

**TEXAS COAST UTILITIES COALITION'S RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S SECOND REQUEST
FOR INFORMATION TO THE TEXAS COAST UTILITIES COALITION**

CEHE TCUC 2-6: Admit that ERCOT currently uses \$35,000 as the VOLL to weigh the benefits of future investments to improve grid reliability.

RESPONSE: Mr. Norwood has no direct knowledge of whether ERCOT currently uses \$35,000 as the VOLL to weigh benefits of future investments to improve grid reliability.

PREPARED BY: Scott Norwood
SPONSORED BY: Scott Norwood

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

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

**TEXAS COAST UTILITIES COALITION'S RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S SECOND REQUEST
FOR INFORMATION TO THE TEXAS COAST UTILITIES COALITION**

CEHE TCUC 2-7: Admit that on August 29, 2024, the Public Utility Commission of Texas approved a VOLL of \$35,000 per megawatt-hour to help the PUC evaluate potential market or reliability improvements. If your answer is anything other than an unqualified yes, please explain why.

RESPONSE: Mr. Norwood is not aware of any Commission order on August 29, 2024, or on any other date, approving a VOLL of \$35,000 to help the PUC evaluate potential market or reliability improvements. See pages 12-13 of Mr. Norwood's direct testimony.

PREPARED BY: Scott Norwood
SPONSORED BY: Scott Norwood

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

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

**TEXAS COAST UTILITIES COALITION’S RESPONSE TO
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC’S SECOND REQUEST
FOR INFORMATION TO THE TEXAS COAST UTILITIES COALITION**

CEHE TCUC 2-8: Please define the term “major utility investments” as used by Mr. Norwood.

RESPONSE: As used in Mr. Norwood’s direct testimony, the term major utility investments refers to major production, distribution or transmission capital investments or expenditures for proposed assets or initiatives, such as CEHE’s proposed SRP, for which utilities often seek regulatory pre-approval.

PREPARED BY: Scott Norwood
SPONSORED BY: Scott Norwood