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TO: CenterPoint Energy Houston Electric, LLC

Commission - Legal Division
Commission - Infrastructure and Reliability Division

FROM: Irene Montelongo
Director, Docket Management

RE: Docket No. 38600 – *Application of CenterPoint Energy Houston Electric, LLC to Amend a Certificate of Convenience and Necessity for a Service Area Exception within Galveston County*

NOTICE OF APPROVAL

This Notice approves the application of CenterPoint Energy Houston Electric, LLC (CenterPoint Energy) for a service area exception to amend certificated service area boundaries within Galveston County.

On September 15, 2010, Commission Staff recommended approval of CenterPoint Energy's application for a service area exception to amend certificated service area boundaries to allow CenterPoint Energy to provide service to a specific customer located within the certificated service area of Texas-New Mexico Power Company (TNMP). The proposed service area boundary exception will not affect the existing certificated boundaries of CenterPoint Energy or TNMP. On September 13, 2010, TNMP filed a motion to intervene as a party to this proceeding. TNMP indicated that it has no objection to and agrees with the proposed boundary change.

Commission Staff requested immediate approval of the application because the affected property owner has indicated the property is being burglarized because she cannot move into it until she has electricity. Commission Staff noted that the deadline for intervention in this proceeding is September 17, 2010. However, Commission Staff proposed that in the event an



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intervenor does file in opposition to the application, an order approving the application can be reconsidered. The intervention deadline expired with only TNMP moving to intervene.

The application was filed pursuant to PURA¹ §§ 14.001, 37.051, 37.053, 37.054, and 37.056 and P.U.C. SUBST. R. 25.101(b)(1)(B). This docket was processed in accordance with applicable statutes and Public Utility Commission of Texas (Commission) rules. Based on satisfaction of these requirements, the following fact statements and legal conclusions are administratively approved.

Procedural History

1. On August 25, 2010, CenterPoint Energy filed an application for a service area exception to allow CenterPoint Energy to provide electric utility service to a single customer within an area that is singly certificated to TNMP.
2. On August 30, 2010, Order No. 1 was filed requiring Commission Staff to comment on the sufficiency of the application and notice, and establishing a procedural schedule.
3. On September 9, 2010, Commission Staff filed its response to Order No. 1 finding that the application was sufficient and that no additional notice was required. Commission Staff also recommended that the application be deemed a minor boundary change.
4. On September 10, 2010, Order No. 2 was filed acknowledging that CenterPoint Energy's application is an application for a minor service area boundary change, and that the application and *Texas Register* notice were sufficient.
5. On September 13, 2010, TNMP filed a motion to intervene. TNMP's motion was granted in Order No. 3.
6. On September 15, 2010, Commission Staff recommended final approval of CenterPoint Energy's application based on CenterPoint Energy's satisfaction of the provisions of PURA § 37.056.

¹ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2010) (PURA).

Notice

7. Notice of the application was published in the *Texas Register* on September 10, 2010.

Project Description

8. CenterPoint Energy is an electric utility providing service under CCN No. 30086.
9. The proposed amendment will permit CenterPoint Energy to provide electric services to a new residence located at 101 Virginia Point Road, Galveston, Texas, currently in a service area that is singly certificated to TNMP.
10. This application is a service area exception because it affects a single customer, who has requested service from CenterPoint Energy. It is in the best interest of the two companies and the single affected customer to amend the service area boundaries of CenterPoint Energy and TNMP as requested.
11. No current customer will be required to switch electric service providers. No other utility company provides electric service in the area.
12. CenterPoint Energy and TNMP are the only utilities that are affected by the proposed boundary change. Both utilities have agreed upon the requested boundary exception and all of the requested area is within Galveston County, Texas.
13. The proposed boundary change is in the public interest, and will have no negative effect on the community values, recreational and park areas, historical and aesthetic values, and environmental integrity.

Need for Proposed Minor Boundary Change

14. CenterPoint Energy received a request from Ms. Kim Walden, to provide electric utility service to a new residence located at 101 Virginia Point Road, Galveston, Texas, located in Virginia Point Subdivision.
15. CenterPoint Energy has provided service to customers in the Virginia Point Subdivision since 1961. However, when the service area boundary maps were developed and adopted

by the Commission in 1975, the territory was assigned within the service area boundaries of TNMP. The discrepancy was not discovered until recently.

16. Hurricane Ike destroyed the homes located in the vicinity of Virginia Beach and also most of the electric facilities serving the area. TNMP has two distribution poles that remain on the western-most edge of TNMP's service territory.
17. CenterPoint Energy proposes to provide service from CenterPoint Energy's existing distribution poles located near Ms. Walden's property.
18. TNMP estimates that it will require approximately \$196,000.00 to extend service to the residence. CenterPoint Energy estimates that its cost to extend service to the new home will be \$2,000.
19. The provision of electric service to Ms. Walden by CenterPoint Energy will be less costly and more efficient.

Statutory Findings

1. CenterPoint Energy is an electric utility as defined in PURA § 31.002(6).
2. The Commission has jurisdiction over these matters pursuant to PURA §§ 14.001, 37.051, 37.053, 37.054, and 37.056.
3. Notice of the application was provided in compliance with PURA § 37.054 and P.U.C.PROC. R. 22.54. Published notice is not required under P.U.C. PROC. R. 22.52(a), because this application constitutes a minor boundary change.
4. CenterPoint Energy is entitled to approval of the application described above, having demonstrated that the proposed service area boundary changes are necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056(a), taking into consideration the factors set forth in PURA § 37.056(c).
5. The application may be approved without a hearing pursuant to the Administrative Procedure Act, TEX. GOV'T CODE ANN. 2001.001-.902 (Vernon 2008 & Supp. 2010).

6. This application does not constitute a major rate proceeding as defined by P.U.C. PROC. R. 22.2.
7. The requirements for administrative approval pursuant to P.U.C. SUBST. R. 25.101(b)(1)(B) have been met in this proceeding.
8. The requirements for informal disposition pursuant to P.U.C. PROC. R. 22.35 have been met in this proceeding.

Ordering Paragraphs

1. CenterPoint Energy's and TNMP's respective CCNs are each amended for the certificated service area boundaries within Galveston County in accordance with the boundary map filed with the application. This application is considered a "minor boundary change" because it affects a limited area; therefore, the notice requirements of P.U.C. PROC. R. 22.52 do not apply in this application.
2. The Commission's official service area boundary maps for CenterPoint Energy and TNMP shall be revised in Central Records in order to reflect this change.
3. All other motions, requests for entry of specific fact statements and legal conclusions, and any other requests for general or specific relief, if not expressly granted herein, are denied.

SIGNED AT AUSTIN, TEXAS on the 17th day of September 2010.

PUBLIC UTILITY COMMISSION OF TEXAS

for 
IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT